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West Europe Report

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SALES PROSPECTS FOR FH-70 HOWITZER EXAMINED

Rome DIFESA OGGI in Italian Jul 80 pp 466-470

[Article by Gen Giulio Macri on a technical comparison between the FH-70 and 155-millimeter howitzers of the same generation available today; second article on the howitzer developed by Great Britain, West Germany and Italy]

[Text] Design, planning and production of the 155-millimeter FH-70 [Field Howitzer-70] form a weapon system that merits reexamination from the program point of view, because it is a question of one of the few projects, at least trinational, carried out in the frameword of the always desired and desirable European and NATO collaboration.

The initial design of the project goes back to England (Rarde of Port Halsteal), but planning was in part also the work of Germany, which shared development bilaterally and paid half its cost. Finally, production was shared with a third nation, Italy. It is obvious that, in this subdivision of the work already started and pursued almost to complete development, Italy had a smaller share (27.5 percent of the total value), thus paying the consequences for entering late. Moreover, although it is true that Italy acquired a smaller share in the work in comparison with the two other partners, which dropped from 50 percent each to 36/25 percent, it is also true that it is also participating to an equal extent in the financial shares, naturally after paying (and this time at a high price) more consequences for not having participated in the development costs, the so-called "admission ticket" to production alone. It is to be noted that the unequal subdivision of the work and financing shares in production can be respected strictly and systematically. Therefore, it has been agreed that possible necessary adjustments will be achieved by mutual agreement pertaining to spare parts, ammunition and supplies especially to third countries during the periodic meetings of the established bodies set up for the entire program (see table 1). In this general, overall framework, industrial production (and the resultant "modifications" that will gradually become useful to the system) has been subdivided among three large companies, each prime supplier for its respective nation (OTO Melara of La Spezia for Italy, Vickers of Barrow-in-Furness for England and Rheinmetall of Duesseldorf for Germany). Therefore, each prime supplier is also responsible for the production shares for which it has to turn to its own subsuppliers. Finally, in view of all the foregoing, the major assemblies are produced as follows: Vickers, complete carriage. The British arsenal at Nottingham contributes by supplying platform and spades. OTO Melara, complete elevating mass (less the carriage). Rheinmetall, complete ordnance. Faun Werke supplies the wheels and suspension; Leitz, all the optical sighting system.

Table 1
Industrial Subdivision of FH-70 Production

Italy: 27.5 percent

elevating mass (cradle, chassis and recuperator)
recuperator buffer
support and sights assembly
elevation and bearing mechanism
final assembly
preproduction-line prototype assembly
production-line and preproduction-line equipment
equipment for ammunition
spare parts
propelling charge systems 1 and 2
HE [high explosive] shells
smoke shells
fuel coupling

Germany: 36.25 percent

complete ordnance and loading system
auxiliary propulsion engine (APU)
sighting equipment
final assembly
preproduction-line prototype assembly
production-line and preproduction-line equipment
ammunition equipment
spare parts
secondary parts
special (Rebello) buffer
charge system 2
primers
illuminating ammunition
smoke-generating shells
fuel coupling

United Kingdom: 36.25 percent

carriage
final assembly
preproduction-line prototype assembly
preproduction-line and production-line equipment
ammunition equipment
spare parts
charge systems 1 and 2
HE shells
special (Rebello) buffer
fuel coupling

Ammunition is supplied with similar criteria. For Italy, the prime suppliers are SNIA and Simmel. Final assembly, the most important operation from the point of view of construction and survival, is performed on three independent lines, one for each

nation at the prime supplier. This system, undoubtedly twice as expensive as the single-line final assembly system, functioned excellently for assembly of the 19 protoyypes in the individual nations produced before starting the production line proper.

With regard to financing costs, after 1974, no more information has been given on the costs of this weapon system and of similar ones already produced or in process of development. It is believed that, on the whole, they have more than doubled. Moreover, in view of competition, the opinion exists that, while the cost of the FH-70 decreased as soon as the companies concerned realized the "noncompetibility" with the American gun, the price of the American M-198 went up, because the initial offer announced to customers did not seem credible. An easy although not detailed analysis did not show the possibility of covering costs as it did from the experience acquired both by the trinational consortium and by Sweden in the light of designs, plans and production underway.

Table 2 shows that the USA M-198 weapon system does not exceed 7 tons in weight for the purpose of being carried by helicopter for a long distance. This requirement, dictated by experience in the Vietnam War, therefore calls for extremely simple material. Therefore, neither an independent auxiliary propulsion unit (APU) nor mechanical devices suitable for achieving a high rate of fire have been provided. It was planned, moreover, with the extreme ambition of being able to use it indifferently on at least three of the five continents for worldwide commitments of the United States. On the other hand, the requirement of helicopter employment has been provided for the FH-70, but for short distances. Morever, maximum priority is being given to the requirements of a rapid rate of fragmentation fire and burst fire and to the auxiliary propulsion unit for a limited self-propelled autonomy, in order to facilitate maneuvering into position and trajectory and also for accelerating some operations of servicing the gun. In addition, it was designed for the less ambitious use on European terrains or European-type terrains even if located in other parts of the world. In fact, the rapid rate of fire is capable of hitting the target with three rounds in 15 to 20 seconds, for the purpose of inflicting maximum loss before the target can react. It is true that the M-198 also has a rapid rate of fire of four rounds a minute, but it is also true that the FH-70, under the same conditions of rapidity, can fire six rounds a minute, to say nothing of the sustained fire capability, which, in the FH-70 reaches two rounds a minute for an hour, instead of four rounds a minute for only three minutes. It is hardly necessary to stress what a forced pause in artillery fire every three minutes can mean in full battle. This also explains why the FH-70 is equipped with a semiautomatic loading mechanism and with a relatively expensive flick ramming device in comparison with the simple manual loading mechanism adopted in the M-198, entailing truly limited consequences, because the M-198 cannot be loaded at elevations greater than 53°, while the FH-70 can be loaded up to 70°. For firing in the second arc over an elevation of 53° that means bringing the piece back into battery each time with a realtive negative effect on the rapidity of fire provided for and, therefore, on the resultant pauses for each round.

The tactical (not the strategic) mobility of the M-198 is also inferior, because, although they are not rigid, the suspensions are entrusted only to the ability of the tires of the wheels to absorb shocks. This causes greater shock strain on relatively light material producing bad effects on the fatigue and life of essential components. While the hydraulic suspension system adopted on the FH-70 ensures a

more comfortable ride for all the equipment and higher speeds both on the road and off the road. The absence of an independent propulsion system on the M-198, although it reduces its total weight, does not give it all those tactical, logistical and functional advantages that both the FH-70 system and the Swedish FH-77A system have. It is true, moreover, that the Swedes were precisely the ones who first foresaw the requirements that might occur and were handled by means of the simple, clever application of a commercial production-line engine. This practical application, in fact, solved several "energy," in addition to tactical, problems. The weapon system can occupy more alternative positions without resorting each time to the tractor with a relative loss of time (in the M-198 that is accomplished either by manpower or with the tractor). Times for commencing fire can be reduced to a few seconds, certainly less than the 4 minutes required for placing the platform and for lowering the gun manually as occurs with the M-198. The same can be said for the reverse movements, that is to say placing the system back on wheels and subsequent movement toward another position or other disposition. Operations for preparing for firing in the second arc are much less rapid and more tiring in the M-198 always because they have to be performed normally without any mechanical assistance (hydraulic power in the FH-70). Moreover, the FH-70 retains all the manual capabilities of the M-198, both in case of breakdown of the APU and in case of damage in battle, inefficiency or something else. The FH-70, moreover, has already demonstrated remarkable stability at all elevations, while the M-198, with its two and a half tons less, can absolutely not have the same remarkable stability. The technical reliability of the American gun must have suffered, if some news came out on a presumed break in the breechblock, presumed adequate ammunition problems and other problems in the elevation system. In short, it may be said that the fundamental differences in the operational requirements of the FH-70 and of the M-198 have led to substantial differences in the technical details of the two weapon systems. Aside from the similarity of the ballistics and range, the two materials are quite different. It is obvious, in short, that the M-198 does not meet the requirements of the trinational users, with regard to rate of fire, mobility on the road and off the road, servicing times of the piece and operation in the second arc. The stability conditions are questionable and may have a negative effect on the fatigue stresses of the more important components, shortening their life.

On the other hand, the Swedish FH-77A is not regarded as a competitor to be feared by the FH-70 (see table 2), especially because it is much heavier, has a shorter range (it seems that even with the special RAP shell it does not exceed 23 kilometers) and it has a slower running speed with the APU. Aiming in elevation is limited to +50° (20° less than in the two other guns). This restricts use for firing in the second arc, creating problems on hilly terrain to overcome crests, especially at short distances, so much so that it might be stated that it is not a question of a howitzer but rather of a real cannon in the traditional sense of the term. In addition, there is the impossibility of rotating the gun 180° by folding it back on the carriage trails for hauling. This, in addition to the considerable length of the gun-tractor assembly, does not make the weapon system stable and fast in travel like the FH-70, although its speed is greater than the M-198. It is now known that France is developing a vehicle towable 155/40 howitzer, similar in design to the FH-70. What is obviously involved is the reverse procedure of the one followed by England, Germany and Italy, which, in view of the proved excellent performance of the new FH-70, have directly utilized the system on the hull of an existing tank developing the self-propelled SP-70. The French, on the other hand, after developing the self-propelled 155/40 GCT [high rate of fire] on the hull of the AMX-30 tank, are obviously attempting development in a vehicle towable field

version. The rate of fire should range around three rounds a minute. The maximum range, with a new type of shell with a combustible cartridge case will probably attain 24 kilometers. The number of servers is said to be eight. The tractor will certainly be a 6X6 of French construction, with 50 complete rounds in sequence and the gun is equipped with an auxiliary engine like the FH-70 and FH-77. According to other information, Japan is also studying the development of a 155 howitzer of its own to replace the present furnished equipment. Moreover, in accordance with the present international agreements in force, this nation is not allowed to build weapons for sale abroad.

Therefore, in the light of this comparison and of existing more or less modern similar material equipping the armies of third countries, what are the prospects for selling the FH-70? Naturally, there is no desire to go into the question here of whether or not these sales are lawful, also because they cannot be made by the individual producing nations, but rather the unanimous consent of the three responsible governments is needed, case by case.

Therefore, in the light of all the foregoing, a survey has been compiled (see table 3), showing the various third countries that might be interested in replacing their obsolete similar equipment and a survey of the countries that prove to be interested.* It seems to follow from the surveys that the potential market for those weapon systems in the Western world (and exclusively of the United States and of the three producing nations) is for about 1,500 guns in the entire decade of the 1980's. The American M-198 is the most serious competitor of the FH-70, especially in price. Nevertheless, it is believed that the performance of the FH-70 compensates for the greater expenditure by all those general staffs sharing the same philosophy of employment of artillery as the three nations producing the FH-70. Since other nations also (especially the ones belonging to NATO or to the Eurogroup or neighboring on those alliances) might note the advantage of a community of armament to favor standardization not only of the gun but also of ammunition and spare parts, thus also promoting an automatic lowering of costs in proportion to a possible increase in the number of units to be produced. In this connection, a great effect was produced in its time by news disseminated in England concerning a request for financial quotations for a possible supply of a good 882 FH-70 to the United States, in case it should not be possible to go from the development phase to the production phase of the M-198. It must be pointed out, however, that, at that time, the "two-way street" of military supplies between North America and Europe was very wide from west to east and became narrow in the opposite direction, while the newborn Eurogroup tried to initiate and conduct a serious "trans-Atlantic dialog" concerning armament with which to equip the armed forces of NATO. At any rate -- aside from that -- the prospects for selling the FH-70 in that period, based on the most reliable estimates of technicians, ranged around and did not exceed 250 units. It is useless to add that these sales are not covered by any military secret and may be made either from government to government or directly by the company concerned

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* Interest of general staffs in the FH-70 ranges from a request for simple technical information to a request for formal and/or provisional financial offers, running through a whole range of shading like "classified" information, firing demonstrations, loan of prototypes for testing at a specific time, visit to the periodic shows of land equipment in Great Britain, letters of intention, and so on: Australia, Belgium, Canada, Israel, Japan, Morocco, Holland, New Zealand, Spain, Sudan, Switzerland, Thailand, Malaysia, Turkey, Oman, Argentina, Bolivia, Ecuador, Zambia, Greece, Norway, Kenya, South Korea.

always by means of unanimous consent of the three governments that have and jealously maintain exclusivity. It will be well to point out in this connection that Great Britain has specifically an official agency that is part of the Ministry of Defense for the purpose of sales of all military equipment to third countries with pertinent promotional activities, the Defense Sales Organization (DSO). In this specific case, all commercial activity pertaining to the FH-70 has been turned over, by unanimous consensus of the three governments and of all the companies involved, to a British paramilitary agency, the International Military Services Limited, to which all requests are directed and which handles all the economic, financial and commercial interests and aspects. With regard to these aspects, it will be well to bear in mind that Sweden is preparing a prototype that should be ready this year, the FH-77B, intended exclusively for export, because its ammunition is said not to be in accordance (in excess) with the safety and environment rules in effect in that country and perhaps also in the NATO nations in peacetime. Meanwhile, the new Swedish version will be capable of using NATO ammunition in the standard 155-millimeter caliber. The following will be the other differences between the two versions: increased aiming angle in site (70° instead of 50°) and slightly reduced in azimuth (±25° instead of ±30°); barrel modified in accordance with the internal and external ballistic characteristics for NATO ammunition; possibility of loading a shell with cartridge case; screw and also vertical cone breechblock; range increased to 24 kilometers with normal shell and over 30 kilometers with shell with additional propulsion.

The selling price for export both of the A version and of the B version seems to be competitive. In 1978, the A version ranged around 3 million Swedish krona. The armament export policy observed by Sweden will, however, limit markets to the large Western nations, which are already producing their own equipment, as we have seen above. With regard to the other countries, if we are to believe a Western humorist, they will be unable to acquire the Swedish howitzers, "unless they believe it likely that they will never need them."

[Tables 2 and 3 on following pages]

Table 2

Comparison Between FH-70 and Similar Artillery Weapon Systems of the Same Generation

Technical, operational, logistical and other characteristics	FH-70 (I) Italy, Germany, England	M-198 (II) USA	FH-77A (III) Sweden	Notes
Availability	1980	1980	1979	
Cost (1974)	300 million	140 million	360 million	After 1974 see details in text
Service crew	7-8 men	7-8 men	4 men	
Types of ammo.	HE, smoke, illuminating, special	c.c.	HE, smoke, illuminating	see other details in text
Mobility	APU Tractor Air trans. Helicopter carried short distance	-- Tractor Air trans. Unlimited helicopter trans.	APU Tractor -- --	
Present status	Operational	c.c (note A)	Operational	(A)
Range with conventional shells	24 kilometers	24 kilometers	22 kilometers	
Approx. weight	9.3 tons	6.9 tons	11.11 tons	
Rate of fire				
normal	6 rounds/min.	4 rounds every 3 minutes	6 rounds every 20-25 seconds	
sustained	2 rounds/min for 1 hours	2 rounds/min for half hour	6 rounds/min for 20 mins	
burst	3 rounds in 13 seconds	--	3 rounds in 8 seconds	(B)
Length				
traveling	9.80 meters	7.46 meters	11.60 meters	
firing	12.43 meters	12.39 meters	11.00 meters	
Height carriage to trunnion	1.52 meters	1.16 meters	2.60 meters	
Barrel length	6.992 meters	almost 6 meters		
Track	2.192 meters	about 2.8 meters	2.65 meters	
Max. initial velocity	827 meters/sec	827 meters/sec	774 meters/sec	(C)
Shell weight	43.5 kilograms	43.6 kilograms	42.4 kilograms	
Elevation	from -5.6° to +70°, from -90 mill to +1250 mill	-5° to +72°	-3° to +50°	
Traverse, + to right, - to left	±28.24°	±22.5°	±30°	
Speed towed	100 kilometers per hour	56 kilometers per hour	80 kilometers per hour, approx.	
Speed with APU	11.6 kilometers per hour	--	8 kilometers per hour	

[Table continued next page]

Table 2 (continued)

Technical, operational, logistical and other characteristics	FH-70 (I) Italy, Germany, England	M-198 (ii) USA	FH-77A (III) Sweden	Notes
APU engine	VW 1700 cc	--	Volvo B20B	
Sighting optics	Leitz	Frankford Arsenal	Boris	
Height traveling	2.45 meters	2.12 meters		
Carriage weight	1980 kilograms	aluminum		
Barrel length	38.85 calibers	39 calibers	38 calibers	
Recoil length				
maximum	1.40 meters	Hydropneumatic type with variable recoil length		
minimum	1.00 meter			

Notes:

A: The M-198 showed some serious trouble in the development phase that were overcome later.
B: With the new flick ramming device, a rate of fire of 3 rounds in only 8 seconds was achieved experimentally in Germany with the FH-70.
C: Sweden has under development a supercharge (not yet produced, apparently) that is said to produce an initial velocity of 825 meters a second (estimated).
I: For previous information see DIFESA OGGI, No 25 for May 1980, p 328.
II: See DIFESA OGGI, No 13 for May 1979, p 314.
III: See DIFESA OGGI, No 19 for November 1979, p 636.

Table 3
155-millimeter Guns Equipping the Principal Armies of the World
(including more or less similar calibers)

Country	Vehicle towable equipment	Source	Notes
Algeria	152-mm gun-howitzer	USSR	M-37 (M-20)
	122-mm howitzer	USSR	M-1938
	122-mm gun	USSR	M-1931-37
Argentina	155-mm howitzer	--	--
Austria	155-mm gun	USA	M-1 (1960's)
Belgium	155-mm howitzer	USA	M-114A1 (1952-1956)
Brazil	155-mm howitzer	USA	M-114A1 (1974)
Denmark	155-mm howitzer	USA	M-114A1 (1952)
	155-mm gun	USA	M-2 (1952)
Ethiopia	152-mm howitzer	USA	M-114A1
Finland	152-mm gun-howitzer	USSR	--
	155/33 gun-howitzer	Finland	M-68
Greece	155-mm howitzer	USA	M-114A1
Iran	155-mm howitzer	USA	M-114A1 (end 1960)
Iraq	122-mm howitzer	USSR	DIM L-20
Israel	155-mm howitzer	USA	--
	155/33 howitzer	Finland	Soltam M-72
	150-mm gun	war booty	post-1967

[Table 3 continued on next page]

Table 3 (continued)

Country	Vehicle towable equipment	Source	Notes
Yugoslavia	152-mm howitzer	USSR	M-37
Japan	155-mm howitzer	USA	M-114
Jordan	155-mm howitzer	USA	M-59
	155-mm howitzer	USA	M-114
Lebanon	155-mm howitzer	USA	M-59
Morocco	155-mm howitzer	USA	M-114 (1971)
Netherlands	155-mm howitzer	USA	M-114 (1950-1957)
Norway	155-mm howitzer	USA	M-1 (1953)
Nigeria	122-mm gun	USSR	D-30 (1969)
Pakistan	122-mm gun	USSR	(?) D-30
Peru	152-mm howitzer	USSR	--
Singapore	155-mm gun	Israel	Soltam M-68
	155-mm howitzer	USA	M-114A1
Spain	155-mm howitzer	USA	M-44
Sudan	122-mm howitzer	USSR	--
Tunisia	155-mm gun	USA	--
Turkey	155-mm gun	USA	M-59
	155-mm howitzer	USA	M-114
Venezuela	155-mm gun	--	--

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TWO NUCLEAR POWERED AIRCRAFT CARRIERS PLANNED

Paris LE FIGARO in French 24 Sep 80 p 6

[Article by Pierre Darcourt: "Two New Nuclear-Powered Aircraft Carriers"]

[Text] Contrary to custom, the limited Defense Council meeting held at the Elysee yesterday morning was followed by public announcement of the decision just made by the chief of state: the construction of two new 32,000-ton nuclear-powered aircraft carriers.

The spokesman for the president's office made a point of specifying that these vessels would be named for French maritime provinces, would be built at Brest, and upon commissioning, would be based in the Mediterranean.

Completion of the first of these two surface vessels is planned for 1991, at which time the "Clemenceau," refitted and modernized for 10 years, will cease to be operational.

The tonnage--32,000 tons-- will put these ships in the category of medium-size aircraft carriers. They will also have horizontal takeoff runways. Since the Super-Etendards carried on the present aircraft-carriers have an operational life of 15 to 20 years, there will be sufficient time for considering and choosing the plane that will replace them.

"Heavy" Platform

The advantage of a "heavy" platform is that it makes it possible, first of all, to carry the largest possible number of conventional or vertical-takeoff attack planes. The smooth takeoff deck could, in case of necessity, be fitted with a catapult for the vertical-takeoff planes. The excessive cost of the only Western plane of this type, the Super-Harrier, its very high fuel consumption, and its vulnerability at takeoff and in the transition to horizontal flight have led the French technicians to postpone acquisition of it, but without ruling out the possibility of using it in the medium or long term if its price goes down and the danger phase following its takeoff is attenuated. The final selection--whether of a conventional plane or of a VERTOL [Vertical Take-Off and Landing]--remains linked to a tactical decision: protection or long-distance action with a

conventional plane, or close coverage of a squadron, entailing aerial combat, with the VERTOL. The decision to build two aircraft carriers capable of following the "Foch" and the "Clemenceau" with advanced technology had become an urgent one. It has been made. The magnitude of the tonnage decided on for the platforms makes it possible at the same time for the fleet modernization-program officials not to be limited in their approach and frees them to follow the best path in for the future.

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CSO: 3100

COMMUNIST PARTY LISTS REASONS FOR OPPOSITION TO NATO ENTRY

Madrid NUESTRA BANDERA in Spanish Sep 80 pp 1-4

[Editorial: "Spain and NATO"]

[Text] The statements by Minister Marcelino Oreja last 15 July announcing the intention of the government to effect Spain's entry into NATO by 1983, and, more specifically, in 1981, pose a problem of enormous importance.

It is obvious that there are situational aspects to these statements, and a desire to respond to the failure and decline suffered by the Suarez government since the censure motion in the parliament. What was wanted was to regroup bourgeois forces, and the UCD [Democratic Center Union] itself, on the subject of "Atlantic involvement, yes or no."

However, the tactical aspects cannot reduce the extraordinary seriousness of the problem which faces us: the Suarez government wants to destroy a tradition which has prevailed for almost two centuries of nonparticipation by Spain in multilateral military pacts. This is a tradition which is so to speak an inherent part of what Spain's role in international life has been. It is a tradition so strong that the Franco regime itself, despite the very close links with the Hitlerite movement, had to bear it in mind.

Entry into NATO would also mean destroying the tradition of a Mediterranean policy. Spain is without a doubt a European country. But it is also Mediterranean. Marcelino Oreja himself, in the address he delivered to the UN General Assembly in September of 1979, said the following:

"It is necessary to avoid the tendency to internationalize the tensions and conflicts in the Mediterranean area, to use them as a testing-ground for influences and pressures in the service of political and economic interests alien to these riparian nations."

These words clash in the most drastic fashion with any possible entry into NATO by Spain, which would serve precisely to strengthen the involvement of non-Mediterranean powers in Mediterranean affairs.

At the same time, it must be remembered that for 25 years, a quarter of a century, no country has joined NATO. Nor has any joined the Warsaw Pact. Therefore, a de facto balance, a status quo, has been established over a now considerable

period of time between the two existing military blocs in Europe. This is a balance which represents a factor in stability (even if its expression in the realm of armaments suffers ups and downs), a guarantee for the maintenance of peace. The entry of Spain, a country with some geopolitical characteristics of enormous import, with islands in the Mediterranean and the Atlantic, etc, represents a brutal upset of this balance. Therefore it introduces a destabilizing factor, making contradictions more acute, strengthening the dialectic of the blocs.

Entry into NATO threatens Spain's national interests, taking this term in its deepest sense. It is no happenstance, as the military periodical DEFENSA noted in a recent survey, that a very high percentage of the army commanders, and in particular commissioned and noncommissioned officers, are opposed to entry into NATO. Broad opinion sectors understand, or can understand on the basis of a reasonable explanation, the need to defeat the government maneuver designed to make our country a member of NATO.

2. Let us examine some of the main arguments used by those who propose joining NATO. It is said, first of all, that this would strengthen Spanish security.

In reality, if it is a question of preventing the destruction of Spain in a world war, the problem must be seen in the following terms.

The safety of Spain in such a case depends on the prevention of world war. It is obvious that Spain outside of NATO has a much greater capacity to contribute to the process of negotiating and guaranteeing peace.

Let us recall that there are no nuclear weapons on Spanish territory at present. If we join NATO the general staff of this bloc may decide to place nuclear weapons in Spain.

As to the possibility of less widespread conflict, more local, with which Spain may have to deal, would NATO provide greater security? In no way. We have here the example of Greece and Turkey, which were both NATO members, but this did not prevent Turkish troops from attacking the Greeks in Cyprus.

Moreover, in today's world, the very concept of security needs revision. The security of a country does not depend on military defense on the frontiers alone. It depends to a considerable extent on political and economic factors. A country cannot feel secure if it does not have economic relations which permit it to survive. Within this context, the subject of energy, of oil, has priority, and no one can deny that Spain outside of NATO has a capacity for dialog and agreements with the Arab world far in excess of that of a Spain involved in NATO.

From whatever viewpoint one approaches the question, the argument about "security" is false.

3. It is also said that entry into NATO would be a factor in consolidating democracy.

To present NATO as identified with democracy is a real insult to objective facts. The Portuguese dictatorship of Salazar was a part of NATO for many long years.

Moreover, the fascist coup of the black colonels was carried out in Greece, not only in a country which was a member of NATO, but even utilizing NATO facilities.

On the other hand, it is well known that NATO is a tool of the hegemony of U.S. imperialism. And that entry into NATO would mean for Spain a decrease in its national sovereignty and therefore of the capacity of the Spanish people to be fully master of their fate.

In addition, if it is a question of democracy, is there any need to recall that the policy of the United States has been characterized by the support of numerous reactionary and fascist regimes in various parts of the world?

It is necessary to look closely at what is happening in Europe today. The argument according to which this or that country is a NATO member and therefore Spain should be as well is invalid. Because, among other reasons, these countries entered NATO in a historical situation which was completely different from that today. And it is precisely a matter of seeing what Spain should do now in these years as the decade of the 80's begins. What we are witnessing precisely is the beginning of a process, but one becoming ever clearer, involving the assertion of a European personality, of a greater distance between Western Europe and the United States, of greater autonomy in European politics. And it is precisely in this situation that the entry of Spain into NATO would mean going against the developments in Europe, converting Spain into a pawn in the effort of the United States to maintain hegemony over Europe.

If in addition we remember that this trend toward autonomy is a response to the crisis in bipolarity and the need to introduce factors of negotiation and agreement in view of the increasing confrontation between the two superpowers, it becomes obvious that the entry of Spain into NATO would be a negative factor.

In what way would it be desirable today for Spain to hinder the processes of negotiation and agreement, to increase tensions and the bloc policy?

4. The Canary Islands represent a key problem with regard to NATO.

Currently, although there are bilateral agreements between the United States and Spain, there are no foreign bases in the Canary Islands. On the other hand, in the event that Spain joined NATO, the Canary Islands would become almost automatically a base for United States imperialism with regard to the progressive forces in Africa.

It is not hard to imagine the consequences which might result for the Canary Islands, for Spain, from such a situation. In the forefront we have the conflict in the Sahara, where a people colonized by Spain in the past are struggling today to reject Moroccan expansionist aggression. The duty of Spain, in fulfillment of the commitment it has made to implement the decisions of the United Nations, its clearest interests, require that our foreign policy be oriented toward a just solution guaranteeing the right of the Saharan people to self-determination, to independence, to the integrity of their territory.

Entry into NATO would on the contrary push the conflict in the Sahara toward a confrontation between the two blocs, the two superpowers.

In the short or medium time range, the existence of U.S. or NATO bases in the Canary Islands would become a threat to the peace of the Canary Islands people, to the traditional relations which have existed between them and the other peoples of Spain, within a common nation.

But it is necessary to generalize this subject still further. The conquest of democracy in Spain has created some special conditions for the new democratic Spain in the Third World, and in a particular way in Latin America, the Arab world and Africa, giving Spain a capacity for dialog with these peoples, with these nations. Links deep-rooted in history and culture can today be revitalized as a function of Spain's recovery of its democracy, its freedom, and the autonomous state model set forth in our constitution itself.

These specific opportunities Spain enjoys to serve as a link, a bridge between Europe and the Third World, have in addition an economic dimension which is essential in the present period. They make it possible to approach such problems as energy and raw materials with particular advantages which other European countries may not have.

The entry of Spain into NATO now, in 1980, then, when the entire bipolar system established since World War II is in crisis, when trends toward autonomy are being evidenced in Europe, would destroy this image which Spain today may have in the eyes of these peoples. It suffices to listen to the comments being voiced today, since Minister Oreja made his statements, in certain circles in Latin America, the Arab world and Africa. They are comments which reflect not surprise but total lack of understanding. But why? What need can Spain have to do such a thing?

Along this line of thinking, it is ridiculous to say that Spain cannot have a "Third World" orientation. Spain is European, no one doubts that. But any European country today, any European policy must necessarily have a Third-World aspect. One anguishing problem in the modern world is the relation of the industrialized world to the underdeveloped world. And precisely at this decisive turning point in history, Spain can play a positive role.

Unfortunately it could also abandon that role and become a mere pawn in the military coalition headed by the United States.

5. In our opinion, the fact that Spain has been chosen as the site of the European Security and Cooperation Conference imposes upon our country responsibilities which go beyond the arrangement of housing or premises. Spain was the country best able to gather the elements of information on the respective positions of this government or that, to study, in prior consultations and negotiations, what the possible points of coincidence were, the zones where steps forward could be taken, the best path of development for the conference.

The casting of Spain in such a role--and it should be said that both Finland and Yugoslavia were able to work along these lines when they were hosts to the two earlier conferences--demands not that we "subject ourselves to any commitment"

(as UCD leaders put it somewhat frivolously) but rather that Spanish foreign policy in this stage be placed within a framework making it possible to play the most positive, the most important role possible with a view to the success of the Madrid conference.

We are not closing our eyes to reality. The statements by Mr Oreja announcing our entry into NATO mean the placement of a very serious obstacle practically preventing Spanish diplomacy now from playing this role which falls to it. And the appointment of Mr Ruperez, whose "Atlantic loyalty" is well known, aggravates matters further.

In any case, we communists believe that it is not the responsibility of the government, of the diplomats, alone to prepare for the Madrid conference. We believe that its importance is so great that the parties in general, the social forces and the public, should take an interest and participate.

If the Madrid conference fails, if it becomes a mere field for ideological struggle and mutual accusations, it will be very difficult to prevent a return to a cold war laden with danger. On the other hand, if the Madrid conference allows at least the development of a better atmosphere, taking steps toward confidence, and above all the planning of further meetings on disarmament, for example, and on other decisive aspects of its agenda, it will go down in history as a step forward toward peace. Therefore we communists will continue to work, within the limits of our abilities, to contribute to a positive outcome for the Madrid conference. And we will do everything possible to ensure that the workers and progressive forces of Europe, seeking points and fields of unity and understanding, will act in this direction.

6. At the same time, we Spanish communists will work intensively beginning now to inform the public about what possible membership in NATO would mean, explaining and promoting an attitude of awareness which is not passive but directed toward joint actions everywhere possible, in citizens' associations, municipal governments, social, university and cultural life, so that from the broadest sectors of Spanish society a state of opinion can be shaped which will isolate the government and prevent it from carrying out the illogical intention concerning our entry into NATO announced by Mr Oreja.

It is a question of working in depth, of awakening concern and sponsoring action so that a growing number of Spaniards will understand that the matter affects them in a direct way, that they must participate in its solution, that it falls to them to be informed, to develop an opinion, and to contribute to a collective decision in the name of the interests of Spain and of peace.

5157
CSO: 3110

NEO-NAZI TERRORIST FANE SPAWNS SIMILAR GROUPS

Ties with Germany, Belgium

Paris LE MATIN in French 17 Oct 80 p 2

[Text] In 1980, the FANE [Federation for Nationalist European Action] held numerous meetings in France and abroad. On 19 April, it held a mini-congress in Valenciennes (Nord), on 18 May in Abbeville (Somme), on 14 June in Lille, on 21 June in Pould-les-Echarmeaux (Rhone), on 29 June in Saint-Paul-Trois-Chateaux (Drome), on 7 September in Coucy-le-Chateua (Aisne).

At the international level, a meeting, which was held on 9 February 1980 in Frankfurt, is worthy of particular attention. This was a FANE meeting with the Volkssozialistische Bewegun Deutschlands (VSBD), headed by Friedhelm Busse, who participated personally in the meeting. This movement maintains permanent contacts with the Volkssozialistische Deutsche Partei (VSDP), a 1,000 member organization headed by Werner Kosbab who has traveled to Paris several times during the past few years.

Werner Kesbab [as published] has also established a European combat structure with Italian terrorist Francesco Donini, head of the National Socialism movement. Doubtless these ties explain the fact that former police officer Paul-Louis Durand, who was responsible for FANE's international relations, met with Francesco Donini in Bologna on 12 and 13 July 1980, 10 days before the act of violence against the railway station of that same city.

This year, the principal leaders of the FANE also met several times with Belgian fascist movements, notably on 2 March 1980 in Belgium and 18 May in Abbeville. The neo-nazis jointly celebrated the anniversary of the monthly magazine of the Belgian movement, Were Di (Defend Yourself), named DIETSLAND EUROPA. In Belgium, they are also maintaining close contacts with the Flemish organization Vlaamse Militanten Orde (VMO) which now claims several hundred trained activists throughout Belgium. Their press organ, ALARM, has several thousand readers. Fruitful contacts have also been made with the royalist [rexistes] movements: Action Rexiste of Jean-Robert Debbaudt and Rex National of Dumont, the last-named also heading a paramilitary organization, the Order of Saint-Andre. There have also been many exchanges with a series of Belgian fascist magazines; e.g., ALTAIR.

Other Fascist Groups

Paris LE MATIN in French 17 Oct 80 p 3

[Passages enclosed in slant line originally printed in boldface]

[Text] Surrounding Fredriksen's FANE, there are many small neo-nazi groups which have common membership rolls and which are developing permanent contacts with one another. In the near future, they hope to provide the personnel for a French fascist party. A list of these groups follows: /National revolutionary Rank and File Groups (GNRB)./ Established in 1976 by Francois Duprat, head of the National Front and historian of the extreme right, who was assassinated in 1978, and Alain Renault who is said to have been the secretary general of the National Front in 1979. It was at the time the GNRB was established in 1978 that some of the nationalists considered engaging in violent action.

/Federation for Nationalist European Action (FANE)./ Established in 1966 by Marc Fredriksen, who at the time was directing ACTION OCCIDENT. It claims responsibility for numerous acts of violence in 1980 and was dissolved on 3 September 1980.

/Nationalist European Groups [Faisceaux] [FNE] and European Cultural Center./ The charters of these two associations were filed at the prefecture in August 1980, in anticipation of the possible dissolution of the FANE. The FNE was headed by Henry-Robery Petit.

/European Future./ Headed by Yves Jeanne, former Waffen SS, this Nantes fascist group (50 members) publishes a newspaper with the same name, has contacts throughout French territory and plays an important role for the neo-nazi contacts. Yves Jeanne was a member of the FANE for several years and in the past even headed the section of the neo-nazi Internationale WUNS (World Union of National Socialists). It is to be noted that this year Yves Jeanne took many trips in France and Europe. This partisan of "soil [sol] and race" has published several "ecological" brochures designed to broaden interest in his movement.

Many other groups, /the Lynx Club,/ with Henry-Robert Petit, current president of the Nationalist European Groups; /People of Europe/ (Paris); /Balden/ (Rouen); /People-Nation/ (Lyon); /the Dahlias Group/ (Montpellier); /Jean Reimblod Association for the Defense of Western Civilization/ (Toulouse); /Entente/ (Marseilles), /New Voice of Alsace-Lorraine/ (Mulhouse), /Kultura/ (Nord); and /Labor Front/ (Valenciennes) are maintaining relations with European Future and the ex-FANE. The membership rolls are practically common for all these organizations.

Two neo-nazi magazines, L'IMMONDE of Michel Faci, former member of the National Front and FANE activist, and ALARME, directed by Gouven, support Marc Fredriksen's activities.

8143
CSO: 3100

GREENLAND EXPECTED TO SEVER EC TIES IN SPRING PLEBISCITE

Munich SUEDDEUTSCHE ZEITUNG in German 26 Sep 80 p 9

[Article by Georg Ring: "Greenland's Drifting Away From Europe: Next Year Plebiscite About Leaving the EC."]

[Text] Copenhagen, 25 Sep--Greenland will be the first region of the European Community to decide, in a plebiscite next spring, whether it wants to continue to be a part of the community, or bid it farewell. This was decided by the Siumut governing party at its party congress in Nuuk (Godthaab.) After the autonomy introduced last year on the island, the Siumut party won the absolute majority in the island legislature with 13 of 21 seats.

Should a majority of the more than 30,000 Greenlanders eligible to vote decide on leaving the EC, then that step would be carried out at the end of 1982. Even during 1981 the government of the area, headed by the island's prime minister, Pastor Jonathan Motzfeldt, wants to conclude trade agreements with other states. Fish export is supposed to make up considerably for the losses in income that Greenland would suffer by leaving the European Community. Since the island's autonomy was realized, Brussels has contributed about DM 100 million in grants and subsidies, including means for construction of water and power stations that contributed markedly to the victory of the Siumut party. Denmark pays the island the equivalent of some DM 360 million annually.

The largest island in the world can meet only 15 percent of its total consumption from its own production. In view of the rapidly rising fuel costs it is doubtful whether the still incomplete Greenland fishing fleet will be able to work so efficiently as to make up the losses. In view of the far-left Danish mentors of the Greenland elite, however, it would be wrong to believe that Greenland would remain in the EC for financial reasons. The political mentors in Copenhagen even considered the plebiscite about the entry into the EC a success--almost two-thirds of all Greenlanders voted against membership; a vote that was without practical results in view of the majority support in the rest of Denmark. Greenland had to accept entry, being an administrative district of the kingdom.

With the introduction of the island autonomy that reserves foreign and security policy rights for the Danish government, it became commonplace in Greenland to demand the fastest possible end to EC-membership. Copenhagen has given its consent. Denmark's government and a majority in the parliament think that the renunciation of EC-membership by Greenland is preferable to the island's leaving the Danish state structure. It is argued that a special status along the lines

of the Faroe Islands in the North Atlantic could all the less be denied to Greenland, since the Faroes have enjoyed island autonomy since 1948, and thus do not belong to the EC. According to the Siumut party membership in the EC hampers the realization of the island's autonomy.

In view of the certainly realistic assumption that earnings from fisheries could not compensate for the loss of income, the government party decided to approve the search for oil on land, but not in the waters. Uranium mining is to be prohibited in the future as it is now.

9240
CSO: 3103

PAPER COMMENTS ON FOREIGN MINISTER'S TRIP TO WASHINGTON

Reykjavik MORGUNBLADID in Icelandic 1 Oct 80 p 28

[Editorial: "Why This Secrecy?"]

[Text] Foreign Minister Olafur Johannesson met with President Jimmy Carter and Vice-President Walter Mondale in Washington last week. According to the minister, these were only courtesy talks, which will not be doubted. What is curious, is, that it was not announced beforehand that the foreign minister was going to meet with the highest ranking U.S. officials.

The Icelandic Embassy in Washington was contacted on behalf of MORGUNBLADID, for example, to inquire about the foreign minister's visit, before he went to the White House. The embassy said that the minister would only speak with representatives in the State Department and the Defense Department. The question arises whether the secrecy of the meeting with the President was considered necessary in order to prevent Gudrun Helgadottir, a member of the parliament, or others from the ranks of the administration's supporters, from threatening to dissolve the coalition if the meeting took place. There are many indications that the situation is such in government quarters that many parliamentary members cannot support the government unless the ministers stop doing their duty. Maybe this is the reason the ministers have chosen to do nothing, work in secrecy or arm themselves with statements saying that they alone know and decide.

9583
CSO: 3111

INDUSTRY MINISTER SEEN AS LOSER IN MARXIST PARTY INFIGHTING

Reykjavik MORGUNBLADID in Icelandic 2 Oct 80 p 7

[Commentary by Staksteinar]

[Text] Falling Star

Influential members of the People's Alliance have for years assumed that Hjorleifur Guttormsson was the up and coming leader of the party. He had been Ludvik Josepsson's crown prince of the Eastern Fhords for a long time before he inherited the parliamentary seat. His planning abilities and education, which he received in East Germany, was much admired. After he was elected a member of the parliament, he was immediately given a minister's seat. As soon as he took over the office of the minister, the socialistic propaganda machine started to elevate the new leader. The minister's workoholic tendencies were much discussed; his planning abilities were admired again; it was pointed out that the light was on in his office late at night. The minister, they said, was constantly working. He appointed committees and working groups, engaged specialists who generally carried the stamp of the People's Alliance. It caused great admiration among his followers how neatly the folders were lined up on the shelves behind the minister's desk. Guttormsson was the People's Alliance new star, a man of leadership quality who had it all, education from East Germany, planning abilities much admired in the Communist Party, and scholarly knowledge of socialism. All last year Guttormsson was as much talked about as the designated leader of the People's Alliance, as were his colleagues in the party's leadership. But now the times have changed. Guttormsson is a falling star in the People's Alliance party. His fellow party members do not hesitate to express their disappointment in the minister of industries. He is no longer mentioned as a potential chairman, and some members of the People's Alliance go as far as doubting whether he will be a candidate during the next parliamentary elections.

Inactive Minister

The greatest criticism of Guttormsson within the People's Alliance is that he now has held the minister's office for almost 2 years and nothing happened. To be sure, working groups and committees were appointed, specialists were hired, estimates and reports have been presented. The minister's desk is clear and folders are neatly lined up on the shelves. But that is all. Nothing else happens. During Guttormsson's tenure as minister of industries nothing worthwhile has happened. He

has not taken the initiative in any of the new measures in industrial affairs of importance, and in energy affairs he has sat idly by. Hydroelectric dams are still being built in Iceland as a result of decisions made by the Reconstruction government. Since then nothing has happened in these matters except for the Krafla-project Magnus Kjartansson initiated and Gunnar Thoroddsen followed through. Guttormsson did not even build Krafla. He has done absolutely nothing in the hydroelectric matters. Now he is faced with the fact that the people of the Eastern Fjords want a hydroelectric plant with heavy industry in Fljotsdal. The people there find nothing wrong in cooperating with foreigners in this heavy industry. Is the minister going to go against the will of his constituents in these matters? These are the main reasons the minister of industries is now being increasingly criticized by his own party. He is considered inefficient and almost an idle minister. The national congress of the People's Alliance is coming up soon. It has been assumed as definite that Josepsson would resign as chairman. Guttormsson is definitely no longer one of those mentioned as likely successor of Josepsson. On the other hand, other People's Alliance ministers are not up to par either. Party members consider Ragnar Arnalds a conservative minister of finance who has not operated as a socialist in his office as minister of finance. Svavar Gestsson is the most popular minister in the People's Alliance party. However, his popularity is dwindling. During the recent months Gestsson has been the one most talked about as Josepsson's successor, but there is no unity about that within the People's Alliance party. Many people are of the opinion that Josepsson will continue as chairman, but others ask whether the People's Alliance Party has sunk so low as electing Olafur Ragnar Grimsson chairman! One person is said to hold that opinion--Grimsson himself.

9583
CSO: 3111

INDUSTRIAL PRODUCTION INCREASED 5 PERCENT IN SECOND QUARTER

Reykjavik MORGUNBLADID in Icelandic 7 Oct 80 p 2

[Article. "Second Quarter 1980: 4-5 Percent Increase in Industrial Production"]

[Text] According to the Industrial Economic Indicator, there was an increase in industrial production during the second quarter of this year, compared with the same period last year. This increase amounts to 4-5 percent in volume, or similar to what it was during the last two years. An increase has taken place among roughly half of the companies; and about 20 percent of the companies reported decreases.

When compared with the quarter before, companies with 55.7 percent of the total manpower say that production increased. This is a slightly more favorable development than took place between the same quarters last year.

Along with the production volume increase, sales have increased, although the increase of sold quantities is a little less than production indicates. The result is that the stock of finished goods has increased, as well as the stock of raw material. Companies with 21.6 percent of the net manpower say that there has been an increase in the stock of finished goods.

According to the economic indicator, there seems to be some pessimism regarding sale prospects during the third quarter. Companies with a little less than 24 percent of the manpower expect decreases in sales; companies with 11 percent, forecast an increase.

The number of employees has increased from the first quarter to the second quarter and working hours have become slightly longer. Considerable reduction in manpower is expected during the coming quarter.

Companies with about 22.6 percent of the total manpower consider utilization of manpower better than 3 months earlier.

Collection of payments for received goods seems to have become worse from the end of the first quarter. Companies with less than 1 percent of the manpower consider the collection of payments better; companies with little less than 21 percent of the total manpower consider it worse.

On the whole, the conditions during the second quarter seem to have been quite good, as indeed they were during the first quarter. In this connection it should be kept in mind, however, that there was an unusually great demand during the first half of the year along with the worsening situation in the fishing industry and a general tightening of the economy.

9583
CSO: 3111

SISMI REPORT ON INTERNATIONAL TIES OF TERRORISM

Milan PANORAMA in Italian 15 Sep 80 pp 42-45

[Text] The giant spiderweb. The secret services have given the government the evidence: subversion gets its money, its weapons, and its training camps abroad. Here is the map of international terrorism.

Prime Minister Francesco Cossiga has had it on his desk since Monday, 1 September. Another copy was delivered to the ministers for defense and interior, Lelio Lagoria and Virginio Rognoni. Francesco Mazzola, undersecretary for coordination of secret services activities, has read it, too. And all the ministers have already asked to discuss its contents.

"It" is a report drafted by the Military Intelligence and Security Service (SISMI), the outfit that took over from SIFAR and SID, and it deals with the international ties of terrorism.

Totalling some 100 pages, the report is already making waves in political circles. What did the men under Gen Giuseppe Santovito manage to ferret out? What is their analysis, the first ever attempted by our intelligence services, of relations among Italian subversive organizations of right and left alike, and those in other countries? Is some government fanning the fires of terrorism in order to destabilize Italy?

The report contains no final, hard-and-fast answers (inquiries are still under way and a more complete report is scheduled to be submitted within the next few months). These, at any rate, are the interim conclusions: Italian terrorism is born and bred at home; once they leave the country, though, Italian terrorists easily get training and weapons, and find no difficulty in keeping in touch with other groups; finally, there is a suspicion that the Soviet bloc takes a lively interest in any incident that might be used to plunge the west into a crisis.

People who have read it are taking the SISMI report with a sizable grain of salt. True, it was prepared in record time, but that is no justification for the many gaps in it. For example, there is very

little said about right-wing terrorism, although it is common knowledge that dozens and dozens of dangerous Italian neofascists are living abroad, where they enjoy both support and protection.

The report is also faulted for its lame analysis of the CIA role. Furthermore, nothing seems to have been done to find out what the Israeli intelligence people have been up to, despite the fact that they were just recently looking for some contact with the Red Brigades (as confessed BR member Patrizio Peci has said publicly).

Equally paltry is the catch on the international arms traffic, through which it might well be possible to piece together the background of terrorism and its sources of support.

These shortcomings demonstrate that there is still a lot of work to be done in winkling out the roots of international complicity, no matter what obstacles may be thrown in the way. Even so, the picture SISMI has produced albeit with help from allied intelligence outfits, in this first phase of its probe is alarming enough as it is: there are those in the world who voluntarily offer practical support to the BR as readily as to the fascists. In Europe, in the Middle East, and in Africa there are hundreds of schools and camps for terrorists -- cradles of subversion -- and there are Italians attending them. This is the way the map shapes up.

Soviet Union. This is the country singled out as the backer and often as the fomenter of Marxist-leaning liberation movements. It mounts courses in politics as well as in military training, and readily provides technicians and instructors, weapons and money. The problem is to figure out what the USSR means by "liberation movements." Is there perhaps somebody in the Kremlin who looks upon the Red Brigades as guerrilla fighters worthy of encouragement? That is a question as yet unanswered.

Ideological courses for foreigners are offered in Moscow, at the Komsomol Institute in Patrice Lumumba University, the same one of which international terrorist Carlos is an alumnus. The military training courses, on the other hand, are offered in the camps and posts of Sinferopolis on the Black Sea, the capital of the Crimea, in Riga, capital of Latvia, and in Tbilisi, capital of Georgia.

In October 1977 there was a course held at an undisclosed location on the use and handling of explosives. There were foreigners taking that course.

Italians? There have been reports that there were Italians there, too, but there is no hard evidence of their involvement. The one thing certain is that there were some Italians -- all prior to 1975 -- who took the ideological courses at the Komsomol Institute.

Czechoslovakia. While the Soviet Union has some tenuous ties with terrorism, it has tapped Czechoslovakia for the most delicate task: recruiting and a good share of training [terrorists].

Foreigners -- not only Palestinians and Africans, but West Germans as well have gone through the Czechoslovak military centers. They have been reported in Brno, in southern Moravia; at Doupov and Mochiv, near the famous health resort of Karlovy Vary; in Malackj, a tiny town on the Austrian border, in Bratislava and in Ceska Lipa.

A new camp was opened last June at Brno, and in attendance at the festivities was Abu Bakr Yonnes Jaher, who heads the Libyan armed forces. The camp is open to recruits of nationalities other than Libyan. It was set up to train military instructors at the highest professional level.

There has frequently been speculation about possible Czechoslovak implication in terrorist activity in Italy. Suspicions and rumors have multiplied in the wake of the Moro kidnaping. Interior Minister Virginio Rognoni mentioned 70 million francs in financial backing received by Autonomia Milanese from Skoda in 1978. (Skoda is Czechoslovakia's automobile maker, and also produces weapons.)

According to the information our intelligence has gathered, some 600 Italians spent time in Czechoslovakia between 1948 and 1978 for reasons having nothing to do with tourism. At least 12 of them have subsequently flashed across the international terrorism scene. Aside from the very frequent visits of publisher Giangiacomo Feltrinelli, there were those by Fabrizio Pelli, Alberto Franceschini, Augusto Viel, Luciano Ferrari Bravo, Giodo Bianchini, and Sergio Semino.

According to statements taken first from the CIA and more recently from Italian intelligence (the source was a former chief of Czechoslovak espionage who defected to the United States), Toni Negri, too, in recent years attended an "advanced political school" on Ronsveltova Street in Prague.

There are still more disturbing reports about Czechoslovak activities. Reportedly it was they who, in 1975, encouraged a pact between two of the most dangerous Italian terrorist groups: the BR and the Armed Proletarian Nuclei (NAP). Elements from both organizations reportedly met at Prostojov in southern Moravia. Other contacts among Italian terrorists reportedly took place in Rome and Milan upon arrangements by Czechoslovak secret agents (with the help of Cuban elements).

According to as yet unconfirmed reports, a lot of young Italians in 1975 attended ideological courses in Czechoslovakia preparatory to infiltrating the Italian armed forces and police.

Perhaps the most alarming report has to do with a top secret radio transmitter in Bratislava, on the Austro-Hungarian frontier in western Slovakia, which sends coded messages, some of them addressed to Italy.

Bulgaria. This tiny and fiercely loyal Soviet satellite is host to several camps in which Palestinians get training. They are located at Gabrovo, on the southern slopes of the Balkans (many western intelligence services believe that this was the jumping-off place for the

terrorist attack on the Munich Olympic Village in 1972), at Varna, and in the hill country around Ridje and Pirin.

No Bulgarian has ever been implicated in Italian terrorist activities. There is widespread concern, however, over the arms flow toward the west across the Danube via Tir.

German Democratic Republic. Palestinians, Ethiopians, and Vietnamese are at home here in training centers for guerrilla warfare. Reports have also been received, however, to the effect that there are also Italians at a camp on the outskirts of Dresden, 160 kilometers south of Berlin. At Bautzen, close to Dresden, courses have been offered to "fighters for western freedom."

Albania. No Italians here. There is, however, no shortage of camps for foreigners. Arafat's men have attended military training courses at Valona, on the Adriatic coast, and in Coriza, some 100 kilometers to the southwest of the capital at Tirana.

China. With the eyes of every intelligence service in the world trained on it, China comes out with clean hands. It supports the Lao, Pakistani, and Vietnamese with weapons and money, but it has nothing to do with terrorism. It has even backed off from providing military organization to opponents of the Formosa regime.

Cuba. Behind his facade of non-alinement, Fidel Castro backs guerrilla movements in all countries with money and political and military training. Intelligence quarters suspect, however, that Cuba may also be backing some European terrorists.

The centers for destabilization reportedly are the CAP, an organization officially established to encourage "friendship among peoples," and the Jose Martin Brigade. Training centers have been reported at the Escuola Libertad (Freedom School), at the Lumumba Center, and at the Minas de Frio Center. There is also a Europe Brigade, which gives courses in ideological indoctrination lasting 1 month. All the European intelligence services are keeping an eye on its alumni: the next class (200 registered to take it) will include some 30 Italians.

United States. United States involvement in coups d'etat and plots in many countries has been acknowledged publicly, even to the American Congress. According to American intelligence agencies, however, the United States has nothing whatever to do with Italian terrorism. Is this just a pro forma statement, given the ties between the Washington espionage mother-house and Italy's 007s? That is a legitimate question: there was a lot of talk about CIA involvement in the failed coup by neofascist Prince Valerio Borghese, and again in connection with other subversive attempts; furthermore, United States financial backing for the Italian far right is common knowledge, and it was handled through the intelligence community.

France. There is no direct implication of the Paris government. There are, however, many ties, both on the left and on the right, between terrorists here and in Italy.

Already proven are the ties on the left between the BR, Prima Linea, NAP, and France's Action Directe. A coordination center, according to long-standing suspicions of investigators both in Italy and in France, is the Hyperion Language School in Paris, headed by Italians who are all old friends of Renato Curcio. Also in the cross-hairs of the investigation was Crisis, a center for social and economic research, which has been closed down for 2 years.

Inquiries into the right wing began only in the wake of the Bologna bombing massacre, even though the intelligence people must have known that dangerous individuals like Stefano Delle Chiaie had long since moved their headquarters to Paris.

Thus far, they have ascertained that there are very close ties between FANE (the neonazi movement, one of whose active members is known agent Paul Louis Durand, the leading figure in a disturbing trip to Italy in the days immediately preceding the Bologna massacre) and the Italian rightist terrorist groups known as NAR and Terza Posizione [Third Position].

Reports have also been received on ties between the Italian subversive rightists and two Corsican independence movements, EPAC and FLC, both financed by Libyan leader Muammar Qaddhafi.

Turkey. Inquiries are under way into relations between the Armenian independence guerrillas (who were behind numberous terrorist incidents in Italy) and fringe elements from the Romanian Autonomy movement.

Lebanon. In this confused and chaotic Middle East country, sandwiched in between warring Palestinian and Falangist factions are terrorists from half the world and of all shades. At least 15 military training camps have been identified, almost all of them open to foreigners.

There is no lack of reports on the presence of young Italian leftists in the Palestinian camps. Reports as recent as 1978 and 1979 place them at Ain Helowe and Sabra Chatila. The camp at Zrarye reportedly provided basic training to 35 young Italians, who went on to take advanced courses in Libya.

It is hard to distinguish between those who went among the Palestinians to learn the techniques of guerrilla warfare and those who attended the camps only as medical corpsmen or doctors. There are no doubts at all, though, as to the intentions of the Italian neofascists who since 1975 have fought side by side with the Lebanese rightists and who attended the Maifuq training camp run by the Falangists.

Syria. There is no proof, but reports say that Italians have been seen in the Hamuriyyah camp here.

Iraq. Until 2 years ago, Iraq was widely believed to be a stalwart outpost of international terrorism. However, with the deterioration of Iraqi relations with the Soviet Union and their gradual shift toward the west, the situation there has changed. There are still some

training camps operating in Iraq, however: at Baghdad West, at Khan Dhari, at Hit South, at Haditha, and at Abu Ali Jyad.

South Yemen. There are training camps at Al Shaydah, Zingibar, Dhala, Bir Fuqum, and Tawahi. Several Basque separatists arrested last June had spent time in one of these camps. They confessed as much, adding that they had met other Europeans there, who the Spanish police say were probably Germans and Italians. There is, however, no proof that this was the case.

Libya. Almost all the intelligence agencies are certain that no country in the world exports guerrilla warfare and terrorism on the Libyan scale. Qaddhafi has a finger in the pie wherever there is revolution, attempts at destabilization, or subversion: in Ireland (where he gives financial backing to the IRA), in Corsica, in all the moderate Arab and African countries, and in sundry Asian countries (Pakistan, Thailand, and the Philippines).

The Libyan leader maintains a foreign legion in the Jond el Daim camp. But then, the whole endless reach of Libyan territory is sprinkled with training camps. More than 20 have been definitely identified. We also know that young Italians have gone through at least six of these camps, and that Qaddhafi did not even bother to ascertain their political leanings.

Among the Libyan camps attended by Italians are those at Ras Hilal, Ain el Beda, and Ain Zara. Italians have also been reliably reported in the camp at Bir al Ghanem: last August there were ten or more of them there.

6182
CSO: 3104

CHAIRMAN OF LEFT SOCIALISTS DENOUNCES PRESTOCKAGE PLAN

Oslo AFTENPOSTEN in Norwegian 1 Oct 80 p 3

[Article by Berge Furre of the Socialist-Left Party: "Prestockage--the Great Power Issue." Passages between slantlines appeared in boldface]

[Text] On 24 September, the speech Defense Minister Stoltenberg gave the day before at the Defense College was referred to in AFTENPOSTEN. The topic was prestockage of heavy American combat materiel in Norway. The argument was the well known: Prestockage is a countermove against the Soviets having increased their forces in the north--and thereby getting greater interception capabilities. Undersecretary Holst's article on 25 September carried the same main point.

The prestockage will stand as a pure Norwegian effort in a game between Norway and the Soviet Union: The Soviet Union gets more planes and submarines up north. Norway responds with prestockage.

But this is only a small part of the matter. It is not Norway and the Soviet Union that are the main participants in the world. It is the Soviet Union and the United States that are the main participants--each with their own alliance clientele. Norway is an extra and a pawn. When materiel will be stocked here for the U.S., it is U.S. that negotiates. The stockpiling becomes a link in the game between the United States and the Soviet Union.

The most important question for us is therefore: /What position does prestockage have in U.S. global strategy, and how does the Soviet Union regard this position?/ In other words. /How does stockpiling affect Norway's position in the game between the superpowers?/ Is the effect desirable or not so desirable?

The distinguishing feature of Norway's situation is that we are the only NATO-country in Europe with a common border with the Soviet Union. The coast of North Norway curves along as a long arched sabre towards the Soviet Union's most important--and most vulnerable--marine base, the Kola-district, the home base for most of the Soviet strategic submarine fleet.

A strong military build-up has taken place around this base--not directed towards Norway, but as a link in Soviet global strategy. No comparable build-up has taken place in North Norway, and the Kola-base is an unpleasant neighbor we all feel uneasy about.

But that must not prevent us from seeing that an American offensive build-up and projects have taken place and continue to take place, directed against this base--and that the United States use Norway in this build-up. It is well known that the U.S. invests much more on the northern flank than before. Defense Minister Brown has announced extensive stockpiling of heavy materiel on ships at the northern flank--notably not only in Denmark and Norway. NATO's highest ranking naval officer, Admiral Harry Train, said to this newspaper in May that it was vital for NATO to block the Soviet Union in the North Sea and the Atlantic Ocean, and he sees obvious prestockage of American combat equipment in Norway as means to that goal. It is known that during wartime Norwegian airports are to be equipped to receive a great number of American war planes, including bombers. In February, Defense Minister Brown went as far as to pinpoint Norway as a possible basis for military resistance against the Soviet Union in case of confrontation between the U.S. and the Soviet Union in the Gulf-area. In addition, Brown has reported extended American anti-submarine activities in the Berens Sea--probably as a link in U.S. endeavors to obtain an advantageous position, and thereby the power to wipe out the Soviet strategic submarine fleet.

The U.S. strategy is in the forming stages. But the road is clear: One more strategy offensive with a lower atomic threshold: Limit atomic warfare that can be won. The main issue is to develop accurate atomic missiles that can wipe out the Soviet strategic atomic power on land and in submarines. Cruising missiles from submarines, aircraft and vehicles will be essential in this. All the American escalation and projects on the northern flank, as far as we know, points towards securing and developing Norway as a base for submarines and aircraft that can wipe out the weapons of the Soviet strategic submarines and aircraft stationed at the Kola-base.

Possibly many of AFTENPOSTEN's readers will view this plan of the Americans as worthy, but we cannot expect the Soviets to view it in the same manner. Access to the open sea is a vital factor in Soviet strategy--today and looking back in history. The Kola-base is also vital. Any American move against the Kola-base and blocking of the Soviet Union, will be met with retaliation--obviously. /The more American moves that are launched from Norwegian territory, the more moves will be directed towards Norway./

Thereby we will be able to see a chain reaction in force: /American moves on Norwegian soil result in Soviet retaliation directed against Norwegian soil, which will release a new chain reaction of American moves on Norwegian soil, etc./

We must look at the prestockage plans in this connection: Norwegian airports are important for American airplanes that must incapicitate the Soviet submarine fleet. The purpose of an American marine brigade in Norway is probably to strengthen the defense aroun such airports. This is a new and significant undertaking for the U.S. to transport weaponry for their greatest offensive forces, the Marine Corps, to Soviet Union's neighboring country in Europe. This is something new and drastic from a Norwegian point of view, that one superpower and atomic power plans to stock artillery, which can lead to atomic attack on Norwegian soil.

The reason behind the self-imposed limitations in the atomic policy and base policy was Norway's unique position on the NATO-map as the only NATO-country in Europe sharing borders with the Soviet Union. Our neighbors should know that Norway will

not be a base for atomic war and for NATO-forces against the Soviet Union. Our strategy should be /purely defensive/. Now the United States is developing one more strategy on the northern flank. We have gone along until now with the intentions behind the base-and atomic policies--in case of war. Probably we have gone along too long and too far--and further than we should have.

Are we to take one more step? Prestocking of American combat materiel for a marine brigade is such a step--that can bring more tension during these times that are already tense.

9583
CSO: 3108

FORMER PRIME MINISTER BORTEN ATTACKS NATO NUCLEAR PLANS

Oslo AFTENPOSTEN in Norwegian 2 Oct 80 p 5

[Article by Liv Hegne: "Great Offensive Against the NATO-Resolution Borten Says: Atomic Weapons Must Be Criminalized"]

[Text] The "no to new atomic weapons" action is now in full force and has started with a gigantic mustering aiming for a public revolt against the acceptance of the NATO-resolution from last year about positioning modern atomic weapons in Europe. At the meeting, former Prime Minister Per Borten emphasized that the use of atomic weapons should be criminalized. This, in reality, means that NATO's defense strategy is obliterated.

Major General Johan Christie was among those who spoke. After summing up Norwegian defense policy, he said:

--We must say no to allied assistance on Norwegian soil. We can receive the assistance in another manner, but there must be no troop movement on Norwegian soil. We will ourselves take the responsibility of defending Norway, said Christie, meaning that our country should be declared atomic free both in war and peace.

--The labor movement obviously deviates from one of its basic ideals if we accept further escalation. We must actively work against preventing the positioning of the new atomic weapons, said Odd Bach, who is vice-chairman of the Transport Workers Union. He emphasized that the debate about the atomic weapons must not be derailed by the issue of prestocking heavy military materiel from the United States on Norwegian soil.

He said that traditionally the labor movement had not taken a position on issues of a defense policy nature.

—We are moving faster and faster towards absolute destruction. There must be something wrong about the priority we give to issues, he said.

Former Prime Minister Borten favored criminalizing the use of atomic weapons. He felt that if the action against the new atomic weapons is to have an effective impact, the use of atomic weapons must be made a criminal offense, on par with the present ban against various chemical and bacteriological weapons.

Former storting member, Bergfrid Fjose (Christian People's Party), maintained that up to now there had been broad unity among the Norwegian people regarding Norwegian defense-and security policies, but there had been a great disagreement regarding the view on atomic weapons. She said she found it impossible to understand why all production of atomic weapons was not halted immediately after the atomic bomb was used for the first time towards the end of World War II.

--What is dangerous now is that the apathy is spreading. Not a single mother or a father have the right to stop fighting. It is an ethical duty to react by crying out loudly each time a new danger threatens, she said. She favors a defense of reasonable dimensions, she said, and added that she perhaps partially favored prestockage.

--But it is not acceptable that this is a link in U.S. nuclear strategy.

Berge Furre (Socialist-Left Party), a member of the Storting, pointed out in his speech that Norway is being threatened by the Soviet Union, but primarily because we are the "main support" in U.S. atomic strategy.

--The seriousness of this is that Norway is pointed out as a battlefield in the fight over the Kola-base, he said. He was also of the opinion that the prestockage issue was also the issue of the atomic strategy.

--Possibly the purpose of prestockage is just to defend airports with atomic weapons for American aircraft, he said and added:--If the prestockage goes into effect here, the United States moves its positions against the Soviet border in on Norwegian territory. The fact that Prime Minister Johan Jorgen Holst himself suggested this prestockage before the U.S. itself did, only shows how cleverly the fellow reads U.S. ideas, said Furre.

The Liberal Party's vice-chairman, Berit Kvaeven, demanded a more open defense policy debate: She is of the opinion that "the commanding officer of defense and the others on top" should not have more influence than others when it comes to issues of such vital importance as the country's security. The conditions are that ordinary people will be brought along in the debate if more information is available, she said.

Former Storting member, Tove Pihl (Labor Party) expressed lack of confidence in the world powers:

--Those are daring fellows with antiquated ideas and weapons of totally new dimensions in their hands, she said.

9583
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OVERVIEW OF POLITICAL, ECONOMIC FACTORS AFFECTING EEC ENTRY

Florence POLITICA INTERNAZIONALE in Italian Jul 80 pp 11-16

[Article by Mario Galletti]

[Text] In spite of the roadblocks thrown up by France, the process of expanding the European Economic Community has by this time become a political fact of life. With this analysis of Portugal's economic and political options, we begin a series of articles on candidates for EEC membership.

To a far greater degree than in the other Mediterranean countries (Spain and Greece) currently candidates for entry into the European Economic Community, in Portugal the "leap into the EEC" -- the way the progressive Lisbon daily O DIARIO puts it -- not only conjures up problems and indecision of a purely economic and technical nature; it concerns the nation's entire political and social structure, and thus fuels a fight destined to grow more heated by the month, partly in relation to quite different and much more imminent political deadlines: the general legislative elections set for this fall, and the presidential elections which will be held at year's end or -- at the latest -- in January 1981. It is generally predicted, further, that the approach of the two rounds of elections -- eagerly awaited as they are in connection with the changes or final confirmation that may well stem from the juridical-institutional picture that has been taking shape since the April 1974 revolution -- will bring with it a serious confrontation over the issues of "Europeanism," which is felt in Portugal in a way totally different -- for historical, cultural, and social reasons and because of the structure of its agriculture and industry -- from the perceptions of its other future Mediterranean partners in the Europe of the Nine. A thoughtful look, then, at the attitudes of industry, labor, and political forces toward the question of Portugal's entry into the EEC may be a sound or a misleading method for arriving at a "freeze-frame" shot of what is actually going on in the country, specifically including the clash between the parties and the tensions which the elections of 2 December 1979 have made ominous indeed over the past 5 months.

In any case, let us start out by defining , with a few sketchy lines and some general data, the state of Portugal today. Right now it must be saidthat the country is already caught up -- though not formally or legally -- in pre-election fever. Ever since the last round of elections the confrontation has been heating up; in the past several weeks it has been approaching the boiling-point; between now and September it may well grow tense indeed. Every issue of working and civil life is involved; and every one of them, furthermore, tends to take on a steadily growing load of polemical baggage from the institutional and constitutional disputes which involve the leaders and parties of the infant Portuguese democracy: parties, party alinements, the labor unions, the government, the presidency, the Revolutionary Council, the National Assembly. The issue here is the 1976 constitution (passed by the first assembly after the red carnation revolution, the one elected in 25 April 1975). The basic charter of the of the Portuguese state already has some very belligerent and determined adversaries, at least as numerous and perhaps even more numerous than its defenders.

Just what is at stake here, practically speaking? The clash between constitutionalists and revisionists which until last December's elections had been substantially a matter of what we might call media hoops, or something which was expressed in the conflicting positions taken by the two fronts, has become, since the formation of the first right-wing parliamentary government -- the one headed by Social Democrat Francisco Sa Carneiro and Christian Democrat Diego Freitas do Amaral -- a forthright demonstration of the political battle between the two highest powers in the state: the government and the president of the republic, Gen Antonio Ramalho Eanes. The general, though not belonging to the leftist military group, and although he was elected by a coalition that could fairly be called moderate, has turned out to be a deeply loyal and firmly convinced defender of the constitution as it stands today, at least insofar as concerns its basic social advances: nationalization of some industry, agrarian reform, and the full recognition by law of the workers' representative bodies in the work place.

Revising the Constitution

It is however precisely these points in the constitution that the government has in its sights. The parties that make up the Democratic Alliance (AD) coalition -- Christian Democrats, Social Democrats, and Monarchists -- are determined to achieve swift revisions of it, calling for elimination of the obstacles to a return to the old line of development: restoring the market economy, drastically reducing the numbers and the economic dead-weight of peasant enterprises, cooperatives, and collective production units that emerged with the first agrarian reform laws and with the spontaneous sit-ins of the spring and summer of 1975; returning banking and insurance to the private sector; amending the pension laws and revising the rules for collective wage bargaining; putting regulations on the right to strike, and so on. In a country where capital accumulation is a slow process, hampered by obsolescent plants and the ineptitude of the magerial classes. it is obvious that "restructuring according to free enterprise principles" (as the government's rightwing economists call it) must perforce run roughshod over the civil and political and union rights of the

community as a whole. This is precisely why the real objective is nothing more or less than a rewriting of the constitution in an anti-liberal cast. And it is thus obvious why this issue has precipitated two opposing alinements, with practically no room for grey areas between them.

Standing by the constitution, or at least favoring a rereading of it that would bring it up to date (striking from its text only a few clauses that are clearly obsolete) are ranged the Revolutionary Council, the Communist Party, all the far-left splinter parties, the amalgamated organized labor movement, or General Federation of Portuguese Workers/National Intersindical (CGTP/IN), the progressive Catholic group headed by the former prime minister, Ms Maria de Lourdes da Pintasilgo and, in descending order, Mario Soares' Socialist Party, though it was the author of the first law, known as the "agrarian counter-reformation," as drafted by former socialist deputy and cabinet minister Barreto. Opposed to the constitution as it stands are the three parties of the AD cartel, the conservative industry forces, plus -- of course -- the old military brass who remained aloof from the revolutionary events of 6 and 5 years ago. Practically speaking, if you set out to mount an operation of the kind the rightists would like to see you must first establish three essential conditions: a strong majority in the new assembly (which will be the one institutionally ampowered to remake the constitution), a benevolent attitude -- or at least a neutral one -- on the part of the president of the republic, and the decline of the Revolutionary Council. It is out of these givens that the clash between the government and the other authorities of the state, and among the various parties, is growing, and getting meaner as it grows.

Some of the issues in the conflict are but too well known. Several months ago, following Ramalho Eanes' public statement in support of the April principles embodied in the constitution, Sa Carniero delivered a threatening speech clearly designed to stir up anti-Eanes sentiment among the old-line military, in which he accused the head of state of harboring "notions of a coup." The president's stern reaction in fact forced the social democrat leader to back off, and beg Eanes' pardon for casting aspersions on his honesty and loyalty to democracy and its rules. That episode, though, still stands as a sample of conservative strategy, whose initial strategy was to switch the next two scheduled elections: first to elect the new head of state, and then summon the Portuguese back to the polls to choose the constituent assembly. The real goal of the AD plan was twofold: to get a president of "its own," an ally and accomplice of the right during the entire legislative election campaign (the conservatives consider it a sure thing that their candidate would win if the elections were held soon), and thus be able to go on and revise the election laws -- which even last December gave the AD coalition an absolute majority with the votes of a minority (45 percent) of the popular vote -- in a more emphatically pro-majority direction. The first move in that direction has already been made. After sounding out the ground for the nomination of Gen Antonio De Spinola as president (he headed the

first National Salvation junta after 25 April 1974, but subsequently got his fingers burnt by his involvement in the planned "silent majority" uprising of 28 September that same year, and again in the abortive coup of 11 March 1975), AD opted for another ultraconservative military man: Gen Soares Carneiro, defined in a DC-SD document as "an outstanding figure, whose qualities are clearly indispensable in the reconstruction of the state and the nation, in defense of western-style democratic society, and in dealing with the next several steps in the development of political and economic policy in harmony with Portugal's alliances old and new, in Europe and beyond this continent."

Already perceptible in this language is a clear allusion to the plan to "reorganize" society in view of its entry into the EEC, in terms in which that entry is perceived by the Portuguese conservatives. Before we get down to the specific matter of the foreseeable raport between Portugal and the Community, however, we really must point out some other aspects of the so-called "pro-western and Atlantic recovery," in the policy pursued by Portugal under the DC/SD government. In the first place, insofar as the Iranian question is concerned, for example, more than a few Atlantic extremist statements were heard, in flat contrast with the political line followed up to now by every government since the revolution. Freitas do Amaral, who is foreign minister as well as prime minister, stated that the NATO base in the Azores (on Terceira Island) is available to the United States whenever "American requirements" should make it desirable. That same base has already been used by the American plane that carried the ex-shah to Egypt after he was practically kicked out of Panama. Even before a single other European NATO power had uttered a word in response to the call for support for the anti-Iran economic measures adopted by Washington, before the Luxembourg conference of the EEC powers, the Lisbon government moved to cut off all trade with Iran. In December, for that matter, we had already witnessed a most singular anti-Soviet reaction to the Russian intervention in Afghanistan. The right-wing government, which had been installed in Sao Bento only a very few days before, actually aired the idea of a complete sundering of all relations with Moscow and, immediately afterwards -- thereby evoking a severe warning to go slowly from the president -- announced before any other government in the world that it would support the boycott of the Moscow Olympics.

We might round off our definition of the current direction of the Lisbon government with the reminder that only a few weeks ago the long-awaited news came that Washington would approve the granting of a loan for which Portugal had been negotiating for years with American economic and political powers. Sa Carneiro and Freitas do Amaral hope thus to get started on a few projects that will absorb a couple of platoons of the endless army of the unemployed in the country, seeking to offset at least partially the wave of unpopularity which galloping inflation and the violence used in retaking the Alentejo lands have raised against the government.

The picture of Portugal that takes shape, then, on the eve of the impending elections -- which will be decisive, too, in determining the kind of membership Portugal will shortly be invited to share in the European Economic Community -- is one of a nation tense and wounded, a land

shot through with unrest and civil and social conflict whose developments and outcome are for the most part unforeseeable.

The Parties and EEC Membership

It would be wrong to draw from this brief description of the state of Portugal right now any general, hard-and-fast conclusions as to the attitude of the political, labor, and industry forces toward the issue of joining the Community. Nor can the government parties' constant reminders of the nation's western obligations and of the need to return swiftly and completely to the capitalist development model and production system really be linked with the outlook for Community membership; nor yet, on the opposite side of the fence, do the determination to mount a firm defense, relying on the power of the masses, for the socio-economic and constitutional gains made in April 1974 necessarily indicate an aversion to the prospect of the future relationship with the EEC on the part of the opposition parties or the military left. The fact of the matter is that there are no such neat equations between rightwing = pro-western and pro-Europe, and leftwing = neutralist or Third World leanings, no matter how often such have been spoken and written about.

It should suffice to correct any possible assumption of that sort to look at the attitude of the Socialist Party, which unquestionably has a long-standing Europeanist vocation, both because of its close ties with the socialist parties in all the EEC nations of Europe and because of a well-founded conviction that joining the EEC will make any authoritarian resurgence in Portugal difficult if not impossible. The PS has in the past been extremely vocal in its attacks, for example, on some of the positions held by very large portions of the Armed Forces Movement and, of course, and in far more open and public style, on the Communist Party for its advocacy of a privileged, top-priority relationship between Portugal and the Third World, not only at the political level, but in economic, production, and trade relations as well. In SP ranks today, though, although of course the party stands fast on its own past positions, there is increasing discontent, anxiety, and doubt. Economic experts who are members of the PS or close to it are conducting studies and inquiries into the real state of the nation's economy and on its capacity to stand up successfully, and without grave injury to production and above all to employment, to the adverse repercussions that will inevitably follow entry into the EEC.

According to the PC, which has always opposed entry into the Community, there is no doubt at all that the terms of entry will hurt peasants and workers for a very lengthy initial period, providing only a glimpse, in a fairly distant future, of "benefits which are for the time being hypothetical." They will force the employers to speed up liquidation of many gains won in 1974 and 1975, and will strike a very severe blow at agriculture, and even to the landowners (small wine-growers) in the north. The communist position looks a lot more reasonable than any of what has been said and written about it. Cunhal told me that the PCP's opposition to the EEC is of course partly political (on account of the predictable speedup of capitalist restructuring, which will involve a

painful squeeze on wages, and an attempt to curtail the power of democratic organizations); but it is not only this. Since it is believed that Portugal will eventually join the EEC, the PCP's fight will be mainly confined to limiting the damage of membership, and will certainly join forces with all the rest of the progressive parties in Europe in the fight for a revision of those clauses [in the EEC's charter] which sanction an unequal relationship between one area and another, and between one nation and another within the Community. Could this be a tiny advance toward Europeanist openness? There is no telling; but it is at least an appeal to study the problems. Furthermore, it is admitted by all the Portuguese political parties that the country and its ruling class were caught off-guard by the decolonization pushed by the Armed Services Movement, and were quite unprepared for it, not having an alternative development plan consistent with the new situation. Joining the EEC looked -- generally -- like the only way to go, and yet a real, sober, unemotional debate on the issue has yet to begin.

Impact on Economic Structures

Community agencies themselves predict a difficult time for Portugal for an indefinite time after joining. One of the first givens they point to is this: the consequences of Portugal's entry will be minimal for the EEC countries as a whole; for the new member, however, they will be "considerable." Portugal represents only 3 percent of the Community's population and, if we look at its gross product, it is a scant 1 percent of the EEC area's. An official Community document warns: "The problems that may arise would stem essentially from the presence of marked disparities in development which would accentuate the Community's heterogeneity. The decision-making process within Community institutions may thereby be rendered more difficult." The paper quotes the figures on that disparity in development. For example: the agricultural sector in Portugal still employs 28 percent of the working population, but contributes only 14 percent to the gross internal product. Let's stick with agriculture for a while. Portugal is not self-sufficient in food; it clearly has less food than when it had its colonies. This means that imports place a tremendous burden on its balance of trade; and that, in turn, means that opening the Portuguese market to the products of the other EEC member nations, combined with the obvious slackening of whatever ties Lisbon still manages to retain with the former African colonies, will trigger sharp competition which may well prove yet another blow to less competitive producers. The impact that may be felt in the short and medium terms will result in increased imports of food, which even today account for 50 percent of the balance of trade deficit.

What are they planning to do about agriculture, then, in the situation that will come about after EEC entry? Two plans have been proffered explicitly: 1. cut back on agricultural manpower (but that would further swell the already overlarge ranks of the unemployed); 2. do what is generally referred to as "rationalizing" agriculture, which would mean, in the center and south-center of the country, suffocation of what is left of the collective farms and cooperatives born of agrarian reform during the revolutionary period; in the north, it would mean a trend toward creating capitalist-style operations where there is now

a pattern of very small land-holdings. The idea would be to set up large-scale vinyards which could rival the French and Italian wines. The project in itself is not a bad one, but there is no question but that restructuring and rationalization can have very high social costs indeed. Again, for the south and central-south, we read in the Community documents and in the studies conducted by the Portuguese ministry for agrarian reform, that the farmlands of Ribatejo and Alenteho are "dispersive and not competitive," and there are references instead -- because of the rise of plastics prices due to the increase in oil prices -- to reviving one of the zone's real assets: sugar. This might well involve the trend toward renewed emphasis on the importance of large expanses of land left mostly untilled and cultivated only in the "suverete." It is one more veiled reference to foreseeable renewed attacks on the agrarian reform laws.

Now we come back, to a certain extent, to political considerations. Allow me a brief digression. It is unquestionably true that joining the EEC, given the democratic character of the nations that make up the Community, is also a guarantee of protection for the freedoms won by Portugal 6 years ago when the Caetano dictatorship was brought down (and that argument more or less applies to the other two Mediterranean candidates for membership: Spain and Greece). It is, however, equally true that the very fact of joining the EEC, in a country economically as weak as Portugal, creates "obligations" and competitive "situations" which, given the difficulty of [capital] accumulation (because the productive apparatus is so very fragile) will heighten social tensions to the utmost and accentuate the temptation of agrarian and industrial capitalists to be refractory over the political and bargaining power of the workers' organizations. In a manner more than a little disconcerting, another official Community document drafted in view of the "second expansion" sees in the sharp rise in wages and the decline of productivity (in both agriculture and industry),data it links with the "climate of uncertainty brought about by the nationalizations of 1974 and 1975" some of the underlying causes of the present productivity problems and of the precarious stance of the balance of trade and the state's finances. The gravity of this allegation -- which has been challenged by most Portuguese economists, who blame the flight of capital and the desertion of a number of technical cadres -- is great indeed even though it is admitted that Portuguese workers' wages were dreadful before the April revolution and are still anything but comfortable now, and that, in any case, as a result of the first government-launched "financial stabilization plan" the workers have lost in one single year -- 1978, to be precise -- at least 10 percent of their purchasing power.

As for industry, the questions that will matter for Portugal are primarily connected -- and all the Portuguese experts, the country's political parties, and its industry and labor organizations agree with the EEC agencies on this count -- with the traditionally soft competitive stance of the productive apparatus. Look at a few figures: Portuguese industry contributes 47 percent of the gross internal product, and employs 33.5 percent of the working population. Within the EEC it is admitted that since April 1974 the various Lisbon governments have

come up with some interesting plans for modernizing industry; these same sources add, however, that none of them has had any appreciable success thus far. The main reason is the one already cited: this country, in the wake of its revolution against Salazar, has had to cope with systematic sabotage by the entrepreneurs, while the nationalized sectors have been brought close to ruin by the lack of capital, aggravated by the enormous illegal exports of currency.

The industrial sector has not expanded and diversified as it was hoped it would. It is still centered around a few traditional products: canned foods (mainly fruit juices and fish), textiles, clothing, footwear, lumber and cork, whose use -- including construction and even shipbuilding -- has increased markedly, as we said, because of the mounting cost of petroleum-derived plastics products. Some development is deemed possible in shipbuilding, where the manpower is among the most highly skilled in Europe.

Even though this hope for modernization and higher productivity in industry, and above all for a higher competitive level in its product, is realistic, a lot of uneasiness arises from the high costs -- particularly the startup costs -- of such an operation. Energy consumption in Portugal is just about half of the average consumption in Community Europe: at present energy supplies are costing the country a great deal, particularly for a country altogether without energy resources of its own, apart from some uranium oxide resources which might enable Portugal -- though not for quite a few years yet -- to have at least one nuclear power plant. Under conditions like these, it is clearly courting disaster to go on importing increasingly larger amounts of petroleum products -- although doing so is a necessary prior condition for beginning a program to restructure and build up the present industrial production plant.

On top of all these problems and shortcomings with which Portugal approaches the fateful date of its entry into the EEC (which of course will come about only at the end of a fairly lengthy transition period) are a number of social problems, the greatest of which stems from the very high rate of unemployment. Part of this is due to the return home of a good half-million Portuguese citizens from Angola, only a tiny fraction of whom have found satisfactory employment at home, and the rest of whom still constitute a heavy burden for the state. This latter point is one of the matters that cause the greatest concern in the rest of the EEC -- even more than in Portugal itself; it is in fact very likely that once Portugal has become a Community member there will be heightened incentives for Portuguese citizens to seek employment in the more industrialized countries of the Community. On the whole, however, as the Nine already agree, the impact of that entry will not be much remarked by the countries already part of the Community, whereas the repercussions in Portugal will be serious and perhaps tragic in a number of sectors.

And so we see that along with what we may style the political objections of some parties like the PCP, the left-wing parties -- in or out of parliament -- or some quarters within the armed forces, there is ample

justification as well for "technical" concerns; and this is why, even within the committed Europeanist circles, we see the start of rising critical thinking and analysis -- we have already mentioned the Socialist Party, for example --, not of course questioning the soundness, viewed as political and cultural as well as economic, of Portugal's integration into the community system of western Europe. What they ask is guarantees and a revision of regulations which are already giving rise to problems, tension, and rivalry among the Nine themselves.

6182
CSO: 3104

ULUSU GOVERNMENT PROGRAM PUBLISHED

Provisions of Program Given

Istanbul CUMHURIYET in Turkish 28 Sep 80 pp 1,7

[Text] Ankara (CUMHURIYET BUREAU) -- Prime Minister Bulent Ulusu read the government program yesterday to the chairman and members of the National Security Council [NSC]. After the reading of the program, Head of State, NSC Chairman and Chief of Staff General Kenan Evren stated that in accordance with the bylaws of the NSC, the government program should be discussed and voted upon on Monday, but proposed, as chairman of the council, that this be done on Tuesday, 30 September. As the proposal was put to a vote and passed unanimously, the discussions and vote of confidence were postponed to Tuesday.

The major outline of the government program read yesterday by Prime Minister Bulent Ulusu to the NSC chairman and members are as follows:

"1. The principles of Ataturk will be our guide. The path we will take will illuminate and manifest these principles.

"2. Activities of anarchy, religious provocation and separatism aimed at the integrity and indivisibility of our nation will be utterly destroyed.

"3. We are determined to disperse every dark cloud looming on the horizon of our beloved homeland. Our constant goal, therefore, will be to strive to assure everyone an income by which he can live humanely, to win the struggle with unemployment, to render the high cost of living ineffectual and to improve the prosperity and welfare of the nation with each passing day."

The principles in the 27-page government program related to the laws to be passed and the domestic and foreign policies to be pursued are summarized below:

--One of our principal duties as government is to make the necessary efforts in preparation of a new constitution, making use of the past 30 years' experience.

--In addition, the major statutory impediments in political, administrative, economic, social and cultural matters will be identified and the necessary changes made.

--Administration will be harnessed to the service of the citizen within total impartiality. The Turkish public administration organization will be reviewed in its entirety and practical arrangements will be made in the short term without going into protracted reorganization efforts.

--Duties, authorities and responsibilities will be distributed so as to encourage initiative and effort and it will be made clear that those who do not use them properly will be held responsible.

--Efforts will be made to remove over a period of time the excess fat in the state cadres, and the State Employees Law and other personnel statutes will be taken up and revised promptly.

New Laws

The government program points out that the effectiveness of the local administrations will be raised and notes that a new law will be passed to provide resources for this and that reorganization will take place. The new laws to be passed and the laws to be amended are then listed in the program as follows:

--State of Emergency Law to be prepared as soon as possible.

--Gendarmerie and security organization laws to be rewritten and Police Duties and Powers Law to be reviewed.

--Associations Law to be amended, with gaps in assembly and demonstration statutes to be filled.

--Legislation to be prepared promptly on smuggling, especially of arms and ammunition.

--A special security organization to be formed for the protection of banks and private businesses.

--A pecuniary guarantee and binding salary law for security forces to be placed in effect.

State Security Courts

Laws to be passed and amendments to be made in laws for the effective prevention of anarchy and terrorism are stated as follows in the program:

--Legal arrangements will be undertaken in conformity with our national conditions and our legal system for the effective prevention of anarchy and terrorism and to ensure political stability. The Political Parties Law, the Elections Law, the State Security Courts Law, the Turkish Penal Code, Penal and Civil Proceedings Laws, laws pertaining to in flagrante delicto proceedings and other laws containing penal regulations will be amended.

Economic and Financial Stability

What is to be done in economic and fiscal matters is listed in the program as follows, in summary:

--Public expenditures will be financed by sound resources, implementation of the present economic stabilization program will be continued, tax changes supplementary to this program and measures to ensure labor peace will be realized promptly.

--Efforts will be made to resolve economic problems within a climate in which the rules of the market economy apply; basic to this will be the right of the citizen to work and hold the job he desires within an understanding which works according to the price mechanism of this order and which develops entrepreneurial power. Avenues to windfall profits without productive effort will be closed.

--The flexible exchange rate policy will continue to be applied.

--The money-credit policy to ensure stability in the economy will continue to be applied; waste in public administration will be prevented. Financing needs of the public sector will be supplied from sound resources; deficit financing will be avoided.

Taxation

--Basic arrangements to prevent tax evasion will be undertaken; the necessary arrangements will be made for taxes to be collected at a reasonable rate from all income and earnings.

--Unfair distribution of the tax burden among the taxpaying groups and sectors will be rectified; the tax burden concentrated on wage earners and fixed-income groups will be lightened through measures such as revision of taxation rates and raising the minimum subsistence deduction.

--The simplified application and evaluation for foreign capital investments will continue to be applied to ensure maximum benefit from foreign capital as an element to reinforce our national potential in technology and marketing.

--An export insurance system, part of the basic infrastructure of exportation, will be put into effect.

Foreign Economic Relations

--In our foreign economic relations, relations will be realized which will continue to promote close cooperation with the OECD nations and international economic and financial organizations within the framework of existing agreements in the implementation of our economic stabilization program which these organizations support.

--The bribery and smuggling taking place in customs will definitely be prevented; the customs law and the law on prevention and pursuit of smuggling will be revised. A TIR control chain will be set up to prevent smuggling by TIR trucks.

Industry and Energy

The government program, in which it is noted that industrial and energy investments will be given priority, indicates that in the building of facilities, priority will go to the less developed regions and that use will be made of modern technology. It is noted also that use will be made of the public and private sectors as well as foreign resources in the exploration of coal and oil reserves. The program states that importance will be given to increasing production in agriculture, forestry, public works and communications, and continues as follows:

--A land and agricultural reform law will be prepared, bearing in mind national realities and the land and agricultural reform practices which began in 1973 and subsequent years.

Labor and Social Security

How labor life will be arranged is set forth as follows in the government program:

--For the purpose of establishing immediate and lasting labor peace, the collective labor agreement, strike and lockout law and the labor law will be reviewed promptly and the necessary changes made.

--The necessary work will be done to place workers in the agricultural sector under the social security umbrella. Differences will be eliminated between old and new retirees in the assignment of retirement, widow's and orphan's pensions.

National Education

The program points out that national education will again convey Ataturkist nationalism to the farthest corners of the nation and says, "We will not permit the initiation of our children into foreign ideologies whereby they each become anarchists instead of the Ataturkist principles." The following principles are given on national education, in summary:

--Teachers and administrators will be devoid of politics; all legal and administrative measures will be taken to keep the purpose and activities of associations free of any politics whatsoever.

--The necessary revision and work will be done on the National Education Basic Law and the Universities Law.

--Student dormitories will be devoid of any extremist occurrances of any sort and will be for the service of our young people who believe in the integrity of the motherland and who love the country and the nation.

National Defense and Foreign Policy

The major principles of national defense and foreign policy in the government program are the following:

--The war strength of the Turkish Armed Forces will be kept at a superior level through the use of all resources.

--The necessary measures will be taken for achieving the goals of the armed forces modernization plan (REMO); attempts will be made to make up the delays which have already occurred to date.

--The bases of our foreign policy will continue to promote the traditional peaceful attitude of our Republic set by the Great Ataturk; effort will be expended for this purpose toward the promotion and realization of relations with all nations based on respect for their independence, sovereignty and territorial integrity, noninterference in their internal affairs and equal rights.

--All bilateral and multilateral agreements to which Turkey is party are valid. Our government will fulfill its obligations arising from all agreements within the framework of the principle of reciprocity.

--In particular, our relations with the NATO alliance and all members of this alliance, including primarily the United States, will be developed and promoted. Our government believes that NATO continues to have vital importance from the standpoint of the balance of security as the foundation of international peace.

--Our relations with the EC will be directed toward the goal of Turkey's ultimate accession to the community as envisaged in the Ankara Agreement. Our relations and cooperation with the Council of Europe and other organizations of which the democratic nations are members will take inspiration from our resolve to return to a parliamentary order.

--Our relations with the Islamic nations will be strengthened; Turkey's approach to the conflicts in our region will be based on such principles as justice and equality, the right of each nation to determine its own destiny and rejection of territorial annexation by use of force. In view of these principles, our attitude toward the Middle East problem and our support for the just cause of the Palestinian people will be promoted with fervor.

Aegean and Cyprus

In the government program read by Prime Minister Bulent Ulusu, relations with Greece and the Aegean and Cyprus problems are approached through the following principles:

--Our government desires that just solutions observing the rights and interests of the sides to the bilateral problems between us and Greece be achieved through negotiations. The methods of negotiation agreed upon previously with Greece will be promoted within this framework.

--Our rights and interests in the Aegean are of vital importance to Turkey. We demand conformity of the Aegean islands to the statute set forth in the treaties and respect for the agreements concerning the rights of our co-racialists in Western Thrace.

--In the intercommunal conflict on Cyprus, we demand a beregional, bicommunal federal solut[illegible] means of discussions within the framework of the agreement reached earlier. [illegible]rnment will support the solutions reached between the sides in the intercommu[illegible] talks now in progress.

Following the statement of major goals, the government program says in conclusion, "The support of the National Security Council and the great Turkish nation will be our greatest bulwark in overcoming the difficulties and achieving success."

24 January Decisions

The Ulusu government program says the following in summary in reference to the 24 January decisions:

"Inflation, which accelerated after the middle of 1977, rose to rates approaching 100 percent in the following years, and social and economic bottlenecks began to appear. Investments and production declined, with our rate of development falling for the first time since planning began to a level which could not support our growing population. Positive results have been obtained in short order from the stabilization measures placed in effect as of January 1980. However, tax laws necessary for the completion of these measures and statutory revisions to bring order to labor life could not be legislated becuase of political instability and the failure of the legislative organ to function."

1961 Constitution

The regime brought about by the 1961 Constitution was taken up in the portion of the Ulusu government program headed "Basic Areas of Revision." Speaking of the 1961 Constitution as having become the "shield of the destroyers of the state" despite its having been written "with good will," the government program says the following on this topic, in summary:

"As our history shows, the measures which were taken and the legal arrangements which were made at first in favor of the nation and the people in order to ensure more abundant freedom and justice became, as the result of events which developed in practice and the unique conditions of the country, inadequate for the safeguarding of the integrity of the state and the provision of the tranquillity and security of our citizens.

"It is necessary that the foundations of our state be firm. The Great Ataturk, who laid down the principles on which our Republic is founded, also introduced the ways and means which would, at the same time, protect these principles and ensure their implementation, and he opened a far horizon based on reality, reason and logic. In practice, however, the constitution, the laws and various statutes have not given what was expected.

"A large role in the events which have occurred in the past 20 years starting with the 1961 Constitution has been played by certain basic methods on which the state organs were based and which are clearly understood today to be out of keeping with the structure of Turkey. An understanding of freedom with its limits undefined, a claim of impartiality which could be used even against the state, promotion of the legal state to the point of rendering the executive organ nonfunctioning, a view of autonomy directed toward being a state within a state and the conduct of politics under the guise of scientism all were features foreign to this structure and had their roots in errors in the foundation of the state structure. This ambivalence sometimes extends to the simplest matters of procedure so that even the roads to enable parliament to function or a president to be elected can be clogged after a few attacks. As a result of all this, the Turkish state is in danger of annihilation, being left defenseless against the subversion and attacks of its enemies.

"We would like to emphasize that the principal duty of our government is to make the arrangements at the foundations of the state in light of the Ataturkist principles and to take measures that will not cause our Republic to fall into even worse situations. All of our other duties come after this.

"Despite the 1961 Constitution's having been written initially with good intentions, it was not laid down in accordance with the understanding of responsibility which comes with the constitutional principle of the separation of powers and this caused, in practice, conflicts between the powers. Legal concepts which failed to take into account national realities and the failure of some constitutional institutions to perform their duties as they should, have, unfortunately, made the 1961 Constitution into the thing responsible for the destruction of the state.

"To make the necessary efforts to rewrite the constitution, taking advantage of the past 30 years' experience, is among our major duties as the government."

Additional Provisions Noted

Istanbul MILLIYET in Turkish 28 Sep 80 p 9

[Excerpts] Energy

--Development of petroleum resources and exploration for new reserves will take place; every possibility will be used in research, production and evaluation for promptly putting mines into operation.

Agriculture

--It is our principal duty to increase agriculture production to meet the requirements for food of a growing population and for raw materials of developing industry and to increase exportation. The controlled credit system will be expanded.

Public Works

--Contracting statutes will be revised; building of express roads will be accelerated.

Communications

--Our communications system will be developed and stress will be placed on a mass transit system.

Tourism

--The state will realize infrastructure investments in areas of tourism development; the necessary incentives will be provided to encourage superstructure and operational investments.

Health

--The law pertaining to the full work day of health personnel will be revised so as to take into consideration the rights and responsibilities of the people, the state and the physicians and to ensure the ability of the people who live in deprived areas in particular to take proper advantage of health services.

--Necessary work will be done toward a health insurance system.

Reconstruction and Resettlement

--Construction of inexpensive mass housing will be encouraged in line with a national housing policy designed to meet the growing need for housing and to prevent construction of squatters' housing.

8349
CSO: 4907

KUWAIT PAPER INTERVIEWS NEW PRIME MINISTER

Kuwait AL-QABAS in Arabic 26 Sep 80 pp 1, 20

/Article by Salih al-Khuraybi: "AL-QABAS Penetrates the World Press Blackout and Records First Conversation with Prime Minister of the Turkish Coup from Ankara"/

/Text/ There are currently about 400 foreign journalists in Ankara who came from all over the world not just to cover the news of the Turkish coup, which has been eclipsed by news of the Iraqi-Iranian war, but also in hopes of holding an interview with the commander of the coup, Gen Kenan Evren, who has now become the president, or his new prime minister Bulend Ulusu, who was appointed to his new position last Saturday.

The president contented himself with a press conference and refrained from giving interviews. However, the prime minister, Gen Ulusu, exclusively gave AL-QABAS the first press interview he held with an Arab or foreign correspondent since he was appointed to his post. Gen Ulusu told AL-QABAS that Turkey is observing the deteriorating situation between Iran and Iraq with anxiety. He spoke about Israel and said that the time had not yet come to boycott it, though Turkey would stand resolutely and forcefully "alongside our brother Arabs" when the appropriate time came. This is the text of the questions and answers:

Turkey, Iran and Iraq

AL-QABAS: What are your feelings about the Iraqi-Iranian dispute? Will you mediate between the two countries bordering on you to stop the war?

Gen Ulusu: We express our extreme sorrow over the deteriorating situation between Iraq and Iran and are observing the situation with anxiety, because each of the two countries is a neighbor of ours and is an Islamic country, and the existence of any vexations between them leaves its effect on us. The United States is now mediating between them and if the international community asks Turkey to perform mediation, we will not hesitate.

The Army, the Politicans and Democracy

AL-QABAS: In the past 20 years the army has intervened three times to restore order and guarantee democracy and national unity. Why was the army compelled to do so? Is it the fault of the Turkish democratic system or the fault of the politicians who apply the democracy?

Ulusu: The two factors exist and are responsible. I believe that the 1961 constitution was a moderate one, and through this constitution bodies and institutions were established but were deficient in the basic qualities which would make them effective. Thus the country proceeded into an awful state of terror and chaos, which reached the level of national fragmentation. If the army had not intervened, civil war would have broken out. The objective of the army was to restore democracy not to do away with the regime.

The army warned the constitutional bodies, institutions and politicians, and repeated its warnings, but these warnings did not fall on receptive ears. The politicians were acting in their party interests, acting as if the situation would never affect them if the army carried out its threats. Therefore, the army was compelled to move. However, I would like to stress again that this is not a coup in the common, since the goal in the army intervention was to restore democracy.

Democracy by Non-Democratic Means

AL-QABAS: But how do you expect democracy to be restored by non-democratic means? What is the legal justification for the intervention of the army to overthrow the elected government and dissolve parliament and the labor unions? Does the Turkish constitution grant that kind of right to the army?

Ulusu: Since the establishment of the Turkish Republic, the army has viewed itself as a custodian of the republic in accordance with the traditions which Mustafa Kemal Ataturk, the father of modern Turkey, implanted. This happened since the time of Ataturk, the armed forces have intervened, and that is the legal and legitimate basis for the intervention of the army.

Production Increased 100 Percent

AL-QABAS: Mr prime minister, Gen Evren, at his press conference, called for peace in the factories. How will this peace be achieved, in your view?

Ulusu: When Gen Kenan called for peace in the factories before the coup there were strikes, and the factories were closed; now the workers have returned to their jobs, the factories have resumed producing, and production has increased by 100 percent since the revolution. The chaos in the factories constituted the main source of the problems. The diligent, innocent Turkish workers who exerted themselves to improve the conditions of their country and earn their livelihood and a livelihood for their children were turned into tools in the hands of the treasonous circles which aimed at crushing Turkey. The workers were given red flags and pictures of foreigners and whenever a demand was realized they would raise another one. Now, however, peace has been achieved in the factories and production has increased.

Turkey and Arab Investments

AL-QABAS: The economic investment program which the young administration set forth to save Turkey from its economic crisis calls for the creation of investments and new job opportunities. Do you see any role for Arab countries in this sphere?

Ulusu: The Turkish economy in the recent period was in a serious state. Inflation persisted and there was no stable production because industry was working at less than capacity. Our goal now is to overcome the current crisis and strengthen the Turkish economy. Therefore we will seek assistance from all Arab countries, especially the Gulf states, will sell them our products, and will buy what we need from them. Our contacts with our brothers in the Arab countries will never be restricted to economic exchange alone, but will go beyond that to include improved cultural relations; we will strengthen our bonds with our brother Arabs and the Arab world will occupy a distinctive place in the policy of my foreign department.

Turkey and the Arabs

AL-QABAS: Mr prime minister, the Turkish army has been the equivalent of a friend to the Arab and Islamic countries; how does it now think regarding the Arab world?

Ulusu: The Turkish armed forces have always wanted to cooperate with the Arab forces. In addition to our military cooperation, we want to increase our cooperation in all fields. We expect that the Arabs will respect our feelings. Our relations with the West must not affect our relations with the Arabs--indeed, to the contrary, these relations must be a bridge to the Arabs.

Turkey, the Islamic Countries and Israel

AL-QABAS: Regarding your foreign policy, will you give special consideration to the Islamic countries?

Ulusu: Turkey under my government will continue to develop and consolidate its relations with the Islamic world, which is bound to it by traditional relations. We hope that we will be able to strengthen our relations with it.

AL-QABAS: The countries of the Islamic world, at the conference they held recently in Morocco, decided to request the help of other countries in the third world in banishing Israel from the United Nations General Assembly until further notice and to expand the Arab boycott of Israel, which has lasted a long time, so that it will apply to the entire Islamic world, of which Turkey is considered a part. Will Turkey do that?

Ulusu: The time has not yet come, and when the time does come, we will stand with determination and strength alongside our Arab Moslem brothers.

AL-QABAS: What is your position toward the continuing Israeli policy of establishing settlements in the occupied Arab territories?

Ulusu: Turkey has always insisted that Israel must withdraw from the occupied Arab territories, and this policy will continue under my government. In reality, Turkey was the first country to respond forcefully to Israel's decision declaring Jerusalem its eternal indissoluble capital. A strong campaign was launched against this decree, to the point where the Arab ambassadors here, in Turkey, made a visit to our former foreign minister to express their thanks for this stand.

AL-QABAS: Mr prime minister, Mr Kenan Evren said in his press conference that detente is necessary. Do you believe that the detente can be broken down, in the sense that there would be two detentes, the first between America and the Soviet Union and the second between Europe and the Soviet Union?

Ulusu: In the light of the international conditions prevailing now, we believe that detente is necessary. However, we do not believe that it is possible to break it down. I personally do not think at all about this system because Turkey is a member of the North Atlantic Alliance and when a disturbance occurs in an isolated area of the world, disturbances in turn happen for everyone.

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OZAL, SABANCI NOTE STATE OF ECONOMY, AID

Istanbul HURRIYET in Turkish 2 Oct 80 pp 1,13

[Article by Tuna Koprulu]

[Text] Washington (HURRIYET) -- Minister of State and Deputy Prime Minister Turgut Ozal, who has been in Washington for contacts for some time, gave a special statement to HURRIYET at a reception held by U.S. Treasury Secretary William Miller in honor of the World Bank and IMF chiefs and foreign delegation heads.

Pointing out that his many contacts in Washington had been extremely positive and that confidence was felt in the new Turkish government, Ozal said, "The elimination of anarchy and terrorism which is perceived as Turkey's biggest problem will encourage foreign investment." Turgut Ozal pointed out that the economic measures taken had not been able to produce results as quickly as desired because of political instability and mounting terrorism and said, "I said this on various occasions but I was accused of engaging in politics. But now, thanks to the resolution of these problems, we can bring Turkey to the state of a stable nation."

Meanwhile, agreement was reached at a meeting in Washington between officials of the Exim Bank, a U.S. government-related establishment, and representatives of 15 private banks holding Turkish debts. Accordingly, Exim Bank officials agreed to the commercial banks' request to raise interest limits. It was agreed that the first part of the interest payment of $95 million would be paid and that the rest would be postponed for a period of time to be disignated as the result of negotiations.

Meanwhile, World Bank President Robert McNamara, speaking for the last time to the World Bank and the IMF, could not contain his tears as he bid them farewell. McNamara, who is bidding goodbye to his job of 12 years in order to retire for age reasons, said, "The past 12 years have been the most productive years of my life. I would not trade this for anything."

Sakip Sabanci

Businessman Sakip Sabanci said in the evening news on West German Television last night, "Our Turkey believes sincerely in democracy and the regime of freedom; it is an inalienable part of the West."

Expressing his views on a report filmed in Istanbul which was aired on the German TV program "Mirror of Europe," board chairman of Sabanci Holding Sakip Sabanci said that in the years when the Republic was first established in Turkey, everything needed had been obtained from abroad, that industrial progress had begun after 1950 and that meeting the needs of the domestic market was accomplished gradually as well as opening up to the outside. Stating that outmoded slogans and futile inter-party conflicts together with the compromises based on them had mired our nation down, Sakip Sabanci concluded his statement as follows: "Finally, parliament and the state became nonfunctioning. Education broke down, production stalled, inflation became unbearable and terrorism and anarchy smeared the nation with blood. There were attempts to slice up our nation. The public was saying that early elections must be held and that one party must come to power by itself. But, in my opinion, it woold have been impossible to resolve problems of such great magnitude with this formula."

8349
CSO: 4907

BANK REDISCOUNT RATES DROP

Istanbul CUMHURIYET in Turkish 28 Sep 80 pp 1,7

[Text] Ankara (CUMHURIYET BURŞAU) -- The Central Bank's interest rates on rediscount and advance procedures have dropped. Thus private banks' access to Central Bank resources has become cheaper and the transfer of resources from the Central Bank to the private banks has been made easier.

A notice was published by the Central Bank on the new rediscount credits in yesterday's edition of the RESMI GAZETE. According to the new notice, rediscount rates on credit interest remain the same "in general," but have dropped when considered by types "specifically." Following the decision to release interest rates in June, the banks set a common interest rate and, in the wake of this decision, the Central Bank set the rates to apply to rediscount credits at the beginning of July.

When bank directors met again in Ankara 3 days ago and decided to apply a common policy on interest rates, the Central Bank revised the rediscount rates downward. The Central Bank rediscount rates, which will go into effect as of 1 October, present the following picture when compared with the rates set in July:

Credit Type	Old Rate %	New Rate %
Short-Term Credit		
a. General	26	26
b. Specific		
1. Agricultural credits allowed for Agricultrual Bank use	22.5	19.5
2. Industrial credits	25	25
3. Professional credits allowed for Peoples Bank use for tradesmen, small industrialists and trade organizations	18.5	15.5
Medium-Term Credits		
a. General	26	26
b. Agricultural credits	25.5	18.75
c. Credits allowed on income tax	20.5	21.5

Credits of Longer than 5 Years (encouragement certificate)			
a.	General	28.5	28.5
b.	Advance procedures on bonds and gold	14.25	15.75

Another notice was also published in the RESMI GAZETE yesterday in addition to the notice on new rediscount rates, this one on the decision that at least 15 percent of bank investments must be set aside for credits pertaining to the export of industrial products.

Meaning of New Rates

The decision to lower the Central Bank's rediscount interest rates means that funds will be transferred from the Central Bank to the private banks. A high rate on rediscount credits means high costs and, when this is the case, private banks are more reluctant to use Central Bank resources. Lowering these rates means lower costs; therefore, Central Bank resources are cheaper than before. Reducing credit costs by lowering interest also leads to more frequent use of Central Bank resources by the banks.

Another aspect of the new decision is that investments in specific areas become desirable with the lower interest rates. Reducing the rediscount rates in both agriculture and industry means that the private banks acquire more resources and offer them more cheaply to the people who will use the credit and that investments in these areas become disirable. While rediscount rates in agriculture and industry are lowered, the interest rate on credits making use of income tax exemptions has been raised from 20.5 percent to 21.5 percent. In other words, this makes the credits used by the consumer industry more costly. Therefore, any incentives in the consumer industry have been removed. The new rate means, in one sense, indirectly putting on brakes in the production of consumer goods.

Money Will Be Cheaper

A third point has to do with recent complaints by management circles about "the decline of production and the tight money policy." When the rediscount rates to be applied to Central Bank credits drop, money will be cheaper than it was and, therefore, some specific measures of relief will be seen "in the tight money policy" which has been applied to date.

The obligation placed on banks with the other notice to use at least 15 percent of their investments toward exportation of industrial products is another decision to take its place among the "export incentive" measures of recent years. The interest rate on this credit will be 10 percent until the end of December 1980 and 15 percent until the end of 1981. When compared with other rates, therefore, it is obvious how low the interest rate on export credits is.

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November 21, 1980

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